

# Airbus Snares a Boeing Client

With \$11 Billion Order, British Airways Signals a European Focus

By Joseph Fitchett  
International Herald Tribune

PARIS — The decision by British Airways to start buying passenger jetliners from Airbus Industrie adds to the woes of Boeing Co. and signals growing sophistication in Britain's industrial dealings with its European neighbors, analysts said Tuesday.

BA's order — for as many as 188 short-haul planes worth a total of \$11 billion — ended a situation in which it was the only airline in Europe that had never bought from Airbus, even though a British company, British Aerospace, is a partner in the European consortium.

Sounding an unusually strong pro-European note, Prime Minister Tony Blair predicted that Airbus would overtake Boeing in the airline market.

"We look forward to the day when Airbus is the number one producer of civil aircraft in the world," he said. Mr. Blair also linked the Airbus purchase to prospects for a combined European effort to build combat aircraft, an industry where British Aerospace seeks to play a leading role.

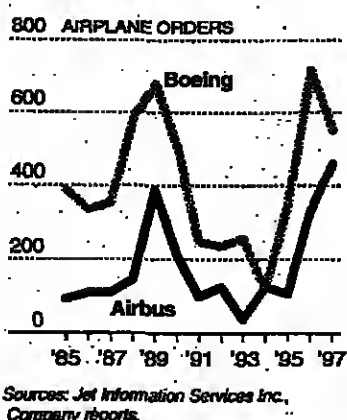
The sale, beyond the symbolism of breaking Boeing's monopoly position with the biggest European airline, gives Airbus a major lift in the most buoyant part of the market. Medium-range routes, typically flights between European cities, are opening up quickly under the impact of deregulation in Europe.

"This was a zero-sum face-off, so it's all good for Airbus and, frankly, all bad for Boeing," said a U.S. aerospace consultant who asked not to be named.

The British Airways order was nearly twice as big as initially expected, and Boeing was beaten in an earlier Euro-

## In a Dogfight

While Boeing continues to be the No. 1 supplier of commercial airplanes worldwide, Airbus Industrie, the No. 2 maker, has made significant inroads into the market in recent years. In 1998, Airbus has announced orders for 380 planes to Boeing's 370.



Sources: Jet Information Services Inc., Company Reports.

pean competition when its candidate, an expensive updated 737, lost out to Airbus in a deal this year with Iberia, the Spanish airline.

For Boeing, there is a risk of being shut out of a booming European market at a time when the U.S. company has been hit hard by the economic woes in Asia, home to most customers for its long-haul 747 wide-body jet and its more recent long-range airliner, the 777.

Underlining its political dimensions, the British deal was announced Tuesday

at Airbus headquarters in Toulouse, France, in a ceremony given unusual salience by the presence of Mr. Blair.

Mr. Blair linked Airbus's "strategic vision" to improving prospects for European cooperation in defense industries, especially combat aircraft. British Aerospace, Europe's strongest manufacturer in this area, has been discussing cross-border mergers with German and French companies, and its hand could be strengthened by signs of a new British commitment to European industrial unity.

For the wider British public, the image of the prime minister speaking from a European company in the center of France carried a more down-to-earth message. Airbus supplies jobs for 38,000 British workers, officials said, counting the jobs at Rolls-Royce, which won a separate contract for the engines in this order.

Boeing, clearly sensitive to any suggestion that Airbus offers a way to "buy European," said Tuesday that it would funnel nearly \$15 billion worth of business through its roughly 400 European subcontractors over the next five years.

But the British Airways decision is a sharp blow to Boeing after a string of setbacks, including a long strike and teething troubles with new models. Dominant in the overall airliner market, Boeing faces an uphill battle in competition over narrow-body jets, which recently have accounted for three-quarters of airliner sales — with Airbus ahead this year.

Still the largest supplier to British Airways, Boeing was awarded a contract Tuesday for 16 long-haul 777's, with

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In handcuffs, Lim Guan Eng, a political critic in Malaysia, parting with his family before being led off to jail after conviction for sedition.

## Top Opposition Figure Imprisoned in Malaysia

18-Month Sentence for Sedition Is Upheld

By Thomas Fuller  
International Herald Tribune

KUALA LUMPUR — Malaysia's highest court upheld on Tuesday the conviction of one of the country's most prominent opposition politicians on sedition charges, sending him to prison.

Lim Guan Eng, deputy secretary-general of the Democratic Action Party, the country's main opposition party, was taken in handcuffs to prison, where he is to serve 18 months for printing and distributing a political pamphlet.

He is the first sitting member of Parliament in Malaysia to be jailed. The court's decision removes Mr. Lim, a highly respected and articulate

opposition figure, from the political scene at a time when analysts expect elections to be called soon.

Although his party is not expected to pose a serious challenge to the governing coalition led by the United Malays National Organization, which has been in power since Malaysia's independence from Britain in 1957, Mr. Lim has played a key role for the opposition in needling the government about its policies.

"The conviction is very unfair," said Syed Husin Ali, a government critic and president of Parti Rakyat of Malaysia. "It's a way of telling the public: 'Beware of what you say and what you talk about.' Even members

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## Iraq Tied to Chemical Plant in Sudan

New York Times Service

This article was reported by Barbara Crossette, Judith Miller, Steven Lee Myers and Tim Weiner and was written by Mr. Myers.

WASHINGTON — The United States believed that senior Iraqi scientists were helping to produce elements of the nerve agent VX at a factory in Sudan that American cruise missiles destroyed last week, according to administration and intelligence officials.

The evidence the administration has cited as justification for the attack consisted of a soil sample secretly obtained months ago outside the pharmaceutical factory, the Shifa Pharmaceutical Industries, the officials said. Officially the administration has refused to describe

its evidence in any detail or to say how it was obtained.

The sample contained a rare chemical that would require two more complex steps to be turned into VX, one of the deadliest nerve agents in existence, and the chemical, whose acronym is EMPTA, has no industrial uses. The United Nations and the United States have long agreed that Iraq is extremely skilled at many kinds of VX production, having worked for years to perfect the best process.

The officials, who refused to be identified, also said there was evidence that senior Iraqi scientists had aided the efforts to make VX at that factory and at another plant a couple of miles away.

The connection with Iraq emerged as

a key part of the administration's argument why it was justified in launching cruise missiles at a plant in another country without any warning.

The officials disclosed the information, four days after the American strike, to try to counter claims by the Sudanese government that the factory, situated in an industrial area of Khartoum, was purely a benign commercial venture that produced half of Sudan's medicines.

The United States, however, rebuffed calls from Sudan and other countries to turn over its evidence.

The UN Security Council on Monday put off a request by Arab nations — submitted by one of the United States' closest Arab allies, Kuwait — to send inspectors to search the rubble in Khartoum for signs of chemicals related to VX.

"I don't see what the purpose of a fact-finding study would be," Peter Burleigh, the deputy American representative to the United Nations, said after the meeting. "We have credible information that fully justifies the strike we made on that one facility in Khartoum."

At a news conference in Khartoum, the Sudanese president, Omar Hassan Ahmad Bashir, kept up his sharp attacks on the United States and President Bill Clinton, saying that Mr. Clinton ordered the attack to cover up the furor over his relationship with Monica Lewinsky.

Mr. Clinton and his senior aides have described the evidence linking the fac-

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## Pakistan Ripe for Radicals

Unrest in Wake of U.S. Sanctions and Attacks Enhances Appeal of Islamic Fundamentalists

By Dexter Filkins  
Los Angeles Times Service

PESHAWAR, Pakistan — A series of upheavals in South Asia has set off a chain reaction that is pushing this historically unstable country — now capable of building nuclear weapons — to the edge of political and economic chaos, according to a growing number of middle-class and professional Pakistanis.

The U.S. missile strikes in the region last week sent the latest shock to a nation already straining from economic disintegration, an Islamic fundamentalist movement emboldened by victory in neighboring Afghanistan, and U.S. economic sanctions imposed when Pakistan, along with India, became one of the world's two new nuclear powers.

"What you have is a slide into chaos," said Maleeha Lodhi, a former ambassador to the United States and the editor of The News, a prominent English-language newspaper. "The economy is collapsing, the mainstream parties are discredited, and the extremists are gaining ground."

The missile strikes Thursday in Afghanistan have emboldened extremist Islamic groups — already hardened by the success of the Taliban militia there — and they have accused the government of Prime Minister Mian Nawaz Sharif of cooperating with the U.S. military operation, which also targeted Sudan.

That criticism, combined with an economic situation that has rapidly disintegrated since the nuclear tests in

May, has left Pakistan unsettled and on the verge of defaulting on its foreign debt. The imploding economy is helping to push members of a precarious middle class away from the two main political parties and toward radical Islamic groups, which advocate a repudiation of Pakistan's foreign debt and the establishment of an Iranian-style theocracy.

"The people of this country are fed up with the two parties, and they are looking for a third option," said Zafar Khan, who sells gun belts and leather goods at a bazaar here. "That could be the religious parties."

That prospect is deeply troubling to U.S. leaders, who have led the effort to isolate Pakistan's economy since the nuclear tests and whose missile attacks on Afghanistan across Pakistani territory exposed Mr. Sharif to virulent political criticism. They are concerned that a Pakistan in turmoil would be less able to control its nuclear technology and more likely to sell it to other countries.

The deputy secretary of state, Strobe Talbott, and top Pakistani officials met Tuesday in London in an effort to resolve the nuclear issues and allow for a lifting of U.S. sanctions.

Across Pakistan, the economic news worsens by the day. Since the nuclear tests in May, the prices of such basic goods as food and gasoline have shot up by as much as 25 percent. The Karachi Stock Exchange had lost 40 percent of its value before Thursday — and it dropped again after the missile strikes. The rupee, Pakistan's currency, has lost 30 percent of its value against the dollar.

Hard-currency reserves have fallen so low that Foreign Minister Sartaj Aziz has warned that Pakistan may be unable to continue servicing its \$30 billion foreign debt.

Business leaders say the nuclear tests — coupled with the U.S. sanctions — punctured confidence.

The U.S. sanctions prompted international agencies such as the International Monetary Fund and World Bank to suspend the flow of money that has long propped up Pakistan's economy.

"No one envisioned what would happen after the nuclear tests," said Nadeem

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Newstand Prices	
Andorra.....	10.00 FF
Antilles.....	12.50 FF
Cameroon.....	1,600 CFA
Egypt.....	EE 5.50
France.....	10.00 FF
Gabon.....	1,100 CFA
Italy.....	2,600 Lire
Ivory Coast.....	1,250 CFA
Jordan.....	1,250 JD
Kuwait.....	700 Fils
Lebanon.....	11,300
Morocco.....	16 Dh
Oman.....	10.00 OR
Roumania.....	12.50 FF
Saudi Arabia.....	10 SR
Senegal.....	1,100 CFA
Spain.....	225 Ptas
Tunisia.....	1,250 Dh
U.A.E.....	10.00 Dh
U.S. (Eur).....	\$1.20



## New Frenzy In Russia as Ruble Sinks Another 9%

3 Top Banks to Merge As Currency's Drop Raises the Pressure

By David Hoffman  
Washington Post Service

MOSCOW — The ruble tumbled 9 percent against the dollar on Tuesday, the steepest one-day drop in four years, aggravating the Russian financial crisis and unleashing a new frenzy of currency and price instability.

A week after the Russian government and the central bank effectively devalued the currency, the ruble plunged in trading on the Moscow Interbank Currency Exchange, which was abruptly shut down after the decline. The ruble opened at 7.14 to the dollar and closed at 7.86.

But in unofficial trading among banks, rates were higher, in some cases 9 rubles per dollar. A prominent economist, Andrei Illarionov, said it could soon hit 15 to the dollar, despite the central bank's vow to set a limit of 9.5 rubles per dollar by the end of the year.

The drop was the most severe since the Oct. 11, 1994, collapse known as Black Tuesday, when the ruble fell 24 percent against the dollar, according to the Interfax news agency.

Amid continuing fears about the banking system, three of Russia's leading tycoons announced plans to merge their banks. All three banks — Uneximbank, AO Bank Menatep and MOST Bank — are at the core of powerful financial-industrial groups that grew up after the collapse of the Soviet Union.

[Also on Tuesday, the newly appointed prime minister, Viktor Chernomyrdin, provided the first details of government plans to revive the moribund debt market. He said \$40 billion of frozen domestic government debt would be repaid over three to five years. Agence France-Presse quoted Interfax as reporting.

[The delay of debt payments, announced Aug. 17, had sent stock markets plunging as investors dumped

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## AGENDA

### European Insurers Sign Holocaust Accord

European insurance companies signed an agreement Tuesday to resolve the unpaid Nazi-era policies of Holocaust victims, although attorneys for some survivors remain opposed to it, a member of the negotiating team said.

The agreement — which is independent of pending class-action lawsuits —

was negotiated by the World Jewish Congress, the National Association of Insurance Commissioners and European insurance companies.

The memorandum of understanding establishes an international commission that would take steps to resolve claims and determine liability. Page 4.

### Libya Will Respond

TUNIS (Reuters) — Libya will respond officially on Wednesday to a U.S. and British plan for a trial in The Hague of two Libyans accused of bombing Pan Am 103 over Lockerbie, Scotland, in 1988, killing 270 people, state-run television monitored in Tunis said Tuesday.

The Dollar		
New York	Tuesday 9:4 P.M.	previous close
DM	1.8005	1.7963
Yen	144.315	143.78
FF	6.0345	6.0175
Pound	1.6395	1.6403
The Dow		
Tuesday close	percent change	
+36.04	8,602.65	+0.42%
	S&P 500	
+4.67	1,092.81	+0.43%
	Nasdaq	
+7.06	1,797.88	+0.39%
The Intermarket		
Pages 10, 15.		
The IHT on-line www.ih.com		

## Nigerian Leader Sets Nation on the Democratic Path

By James Rupert  
Washington Post Service



General Abdulsalam Abubakar speaking Tuesday in South Africa.

LAGOS — Two months after General Abdulsalam Abubakar took over as military ruler of Africa's most populous country, he has rebuilt a hope that many Nigerians long ago had abandoned: That the military officers who have ruled this nation for 28 of its 38 years of independence will finally, voluntarily fulfill their oft-broken promise to hand power back to a freely elected government.

General Abubakar has swept aside the authoritarian strictures of his predecessor, General Sani Abacha, and begun preparing elections for next year. While Nigerians and foreign analysts say dangers remain that some in the military could try to reverse General Abubakar's

move, the country's mood has changed.

Nigeria's raucous, civilian politics of rival regions and ethnic groups has been revived, although analysts say the brutality and ruin of General Abacha's rule seem, for now, to have focused politicians on the need for compromise to avoid the tensions and instability that generals have cited in the past as reasons for seizing power.

In May, ethnic Yoruba rioted over General Abacha's attempt to prolong his rule by rigging elections for a civilian government. The Yoruba-populated southwest simmered with talk that civil war would result if General Abacha staged the controlled election that was to transform him from junta leader to civilian president. General Abacha died in June, reportedly of a heart attack, but Yoruba took to the streets a month later to protest the death in

detention of their main political leader and hope for power, Moshood Abiola.

But since General Abacha's death, General Abubakar has reassigned or forced the retirement of several military officers who were closest to General Abacha and repealed Abacha's decrees banning independent political parties and some labor unions. He annulled the results of carefully managed elections held over the last three years and appointed an election commission headed by a respected former supreme court judge. Political contentiousness has shifted from the streets of Lagos and Ibadan to meeting rooms where civilian political leaders are scrambling to form parties.

General Abubakar "still looks very good," said a Western diplomat recently.

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## Juppe, French Ex-Prime Minister, Under Investigation for Graft

By Craig R. Whitney  
New York Times Service

PARIS — A former prime minister, Alain Juppe, was placed under investigation Tuesday in an inquiry into alleged phony payrolls at Paris City Hall while he was at the right hand of the mayor at the time — Jacques Chirac, who is now president.

Justice officials cited by the daily newspaper Le Monde said that an investigating magistrate, Patrick Desmure, was looking into charges by a former city official that about 200 people on the municipal payroll in the 1980s did not work for the city but for Mr. Chirac's party, the conservative Rally for the Republic. Judge Desmure, the newspaper said, had sent Mr.

Juppe a letter informing him that he was under investigation for charges including misuse of public funds and abuse of public trust. He could be either cleared of the charges by the investigation or formally accused and tried.

Mr. Juppe, interviewed on national television Tuesday night, denied that there had been any swindle or that he had been stuffing his pockets with public funds.

"When I arrived on the scene, in 1988, there was no law regulating political parties," he said, referring to the absence of effective legislation before then on how parties could finance themselves.

"All the parties did the best they could," Mr. Juppe said. "The legislature stepped in after 1988, and by the

time I left the presidency of the RPR, everything was legal."

Michel Roussin, Mr. Chirac's chief of staff when he was mayor, was also notified that he was under investigation on some of the same charges as Mr. Juppe.

Mr. Chirac said nothing about the news, but Mr. Juppe said it would be absurd to charge the president with any wrongdoing. Patrick Devedjian, another leading member of his party, said, "In our country, the president of the republic enjoys total immunity, and it's a good thing."

Mr. Juppe, secretary-general of the party from 1988 until 1994 and its president from 1994 to 1997, was

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## The Celebrity Saint/ Poetry, Music, Feminism and Herbal Remedies

## 12th Century Nun Captivates Today's Culture

By John Schmid  
International Herald Tribune

**M**AINZ, Germany — After nearly a millennium of relative obscurity, a medieval German nun has been born again into a state of celebrity sainthood.

Entire industries have grown out of the renaissance in the popularity of St. Hildegard von Bingen, a Benedictine abbess, writer, composer and holistic healer who seems to turn up practically everywhere this year, from Cologne to New York, exactly 900 years after she was born.

In concert with a full year of international birthday commemorations, some of St. Hildegard's two dozen pieces of choral music, now on compact discs, top some music charts.

A brisk Rhineland tourist trade thrives in her honor, with one glossy brochure urging pilgrims to "tour Hildegard's historical sites by motorcycle."

A chic publishing boom has filled some European bookstores with reissues of her magisterial poetry and mystical philosophy along with shelves of cookbooks and calendars and an estimated 1,000 other new titles that range from theological scholarship to mass-market paperbacks like "Hildegard in a Nutshell."

Today's followers of St. Hildegard cannot seem to get enough of the "prophetic teutonica," as one early admirer called her in 1206.

In what some call Hildegard health care, mainstream pharmacies in German-speaking Europe carry several brands of herbal remedies under her name that are meant to treat everything from heart disease to migraines. One firm alone, Jura KG, claims to distribute its products in 10,000 outlets.

Fans munch St. Hildegard's wholemeal cakes, biscuits and dumplings made from the grainy *inkel* flour that she recommended. New Age adherents give symposiums on her advice for using crystals. Southern Germany boasts a Hildegard health spa.

In a German election year, politicians have joined bishops in holding speeches in St. Hildegard's honor. Ministers in Bonn have issued a Hildegard postage stamp (often sold out) and commemorative coins.

As a female founder of monasteries and a rebel in a male-dominated church, she is also venerated by some women for her distinctly feminist theology.

Devotees of Bacchus also admire St. Hildegard, who wrote in one of her medical texts, *Causae et Cures* — or *Causae et Cures* — that "a wine that is pure cleanses the blood of its drinker." In this Hildegard year, that advice has spawned Hildegard wine-tasting seminars. At least three different brands of Rhine wine are sold under her name.

**S**HE EVEN rocks. Angel Records in New York, a division of EMI Records, produced an electronically synthesized version of her canticles, or liturgical songs. After selling more than 300,000 and topping the Billboard list for "crossover" productions — a ranking of popularized classical music — Angel last year released a sequel called *Vision II*.

"What is Hildegard doing at the disco?" asked one German magazine incredulously.

Like other celebrities, she is frequently in the newspapers. Culture commentators and religion writers have been scratching their heads in wonder at the popular abess.

"She is being revered, commercialized and exploited as never before," according to the Frankfurt *Allgemeine Zeitung*.

St. Hildegard was born in 1098, but because her exact date of birth was not recorded, the entire year has been opened to a windfall of commemorations.

Ahead of her feast day on Sept. 17, pilgrims arrive daily — sometimes 200 husbands a day — to visit St. Hildegard's Abbey in Eibingen on the Rhine, one of two 12th century monasteries she founded, said Sister Philippa, a nun at Eibingen. Many visitors come from the United States.

The Pope will send an ambassador to the annual



Sister Jacintha, in a gift shop of a convent in Bingen, Germany, holding some of the Hildegard merchandise: a Hildegard CD and book. "What is Hildegard doing at the disco?" asked a German magazine. "She is being revered, commercialized and exploited," said the *Frankfurter Allgemeine Zeitung*.

Eibingen procession and mass on her feast day. Despite St. Hildegard's powers of prophecy, which Pope Eugenius III confirmed as authentic in 1148, it is unlikely she expected this sort of afterlife.

"When she was alive, she was not a pop icon by any means," said Benjamin Bagby, a co-founder of Sequentia, a Cologne-based choral group that specializes in early music and has been credited with St. Hildegard's revival.

To rescue her from becoming a Benedictine Elvis — as one newspaper commented — serious scholars and musicians like Mr. Bagby have countered with hundreds of symposiums, lectures, concerts and exhaustively researched museum exhibits.

In the United States, the giddy sense of celebration is apparently shared.

"Just about every Catholic college in the country is doing something to honor her," said a Northwestern University professor, Barbara Newman, who has translated St. Hildegard's poetry and ranks as one of the leading U.S. experts on St. Hildegard.

New York's Lincoln Center has just performed her works to sold-out audiences. Grace Cathedral in San Francisco is leading a pilgrimage to Germany in time for her feast day.

Scholars come up with several reasons why the life and works of a cloistered nun can loom so large across nine centuries. Perhaps the most conspicuous stems from St. Hildegard's decision to situate her convents in what is now some of the most heavily toured byways in Germany.

The Eibingen monastery sits in the vineyards a few hundred meters above the postcard town of Ruedesheim, trampled by 2.5 million tourists a year and often described as kitsch.

Most come to drink and buy Rhine wine. It was only natural that the local chamber of commerce created a "1098-1998 Jubilee Year" logo to promote a profusion of "Experiencing Hildegard" tour packages.

Publishing houses also have driven her media resurrection. St. Hildegard resonates powerfully in an era when publishing trade groups report an unrelenting demand for books and music with a spiritual or religious theme.

Riding the wave of New Age enthusiasm, many

Hildegard fans take from her what they want and do not bother to understand her in all her complexity, said Gabriele Lautenschlager, a member of the theological faculty at Wuerzburg University.

"She fits the slogan, 'Jesus yes, church no,'" she said.

St. Hildegard's life story also seems to fit Hollywood's dream machine. At least two movie scripts are in the works about her, said Paul Cremo, director of film and television projects in New York at Sony Classical Records.

Thanks to the monks in her first monastery, which she entered as a hermit at the age of 8, her monastic life has been well-documented. Revelations in the form of "burning" visions overpowered the frail and often sick girl. She called herself a "visio" or mystical seer.

**O**ver time, the charismatic abbess came to resent the domination of monks and was ready to found her own monastery, taking 20 sisters with her. The monks fought her, partly because her status anchored their fund-raising income.

The secession was the first of several feuds with a male-dominated church hierarchy that she won. Today many of her fans discover her first through her music, which variously has been described as ethereal, mesmerizing, austere, complex and exotic.

Interest in her hymns had been dormant for about 800 years but had proliferated over the past decade onto some two dozen compact discs. Internet sites like *www.hildegard.com* exist solely to sell her music, which includes 77 canticles and a passion play that ranks as Germany's first opera.

Mr. Bagby at Sequentia said that publishers have a wide range of interest in producing her music. "Some just want to make money," he said.

"The music industry," Mr. Bagby said, "saw they could make a lot of money selling something very simple and very spiritual. People who wanted to simplify their lives. Like stressed-out business people, buy it."

Or, as Professor Newman put it, "Even a watered-down Hildegard has more to offer than much of our current pop culture."

## Kabila Predicts Victory And Returns to Capital

Rebels Say Outsiders Bomb Them on 2 Fronts

**KINSHASA, Congo** — President Laurent Kabila predicted victory in the civil war in Congo as rebels fighting to topple him said Tuesday that Zimbabwian and Angolan warplanes were bombing them on two fronts.

Mr. Kabila returned to Kinshasa for the first time in more than a week as state radio announced a string of victories for the government and its foreign allies in the west.

"The result is certain. They will lose the war everywhere," Mr. Kabila told state radio and television at the airport in Kinshasa. "Victory belongs to the Congolese people."

The rebels' spokesman, Bizima Karaha, said his forces, which are some 30 kilometers (30 miles) southwest of Kinshasa, were facing a second day of intense attack by MiG fighter jets and helicopter gunships.

"Yesterday, our positions were heavily attacked by Angolan and Zimbabwian warplanes, and the result was that hundreds of people were killed — mainly men, women and children living in surrounding villages," Mr. Karaha said.

He said the foreign warplanes also carried out bombing raids Tuesday on Kisangani, a northeastern city that the rebels said they captured two days ago.

There was no independent confirmation of the government or rebel claims, but Angola and Zimbabwe have both sent troops to bolster Mr. Kabila against the Tutsi-led rebels.

Angolan army units continued to pour into the former Zaire and advance toward rear rebel positions south of Kinshasa. Congolese state radio said the Congo river port of Boma had been retaken from the rebels, sealing off their last line of retreat.

"On the western front, the war has taken a decisive turn with the capture by the Congolese armed forces and their allies of the military base at Kikoma and the towns of Muanda, Banana and Boma," state radio said.

An Angolan government newspaper said Tuesday that more than 940 people were killed in the battle Sunday for Kikoma.

Officials and witnesses said Mr. Kabila, in power for just 15 months in the third largest African nation, returned to Kinshasa after spending a week in his Katangese tribal stronghold of Lubumbashi.

His return was evidence of the growing confidence of his government as an alliance of Congolese, Zimbabwian and Angolan troops and warplanes halted and threatened to reverse previous gains by the rebel army southwest of the capital.

Mr. Karaha said the rebel alliance, which began its insurrection Aug. 2, had halted its advance on Kinshasa in response to a call by regional leaders at a summit meeting Sunday in South Africa for a cease-fire and troop standstill.

"The response we got to our standstill was a massive air raid," he said. "If the bombings do not stop, we reserve the right to take the war into Kinshasa."

In the commercial center of Kisangani, Mr. Karaha said Angolan and Zimbabwian planes were attacking at random. "There were no military objectives. All they are doing is sending planes and throwing bombs indiscriminately," he said.

Mr. Kabila, who overthrew Mobutu Sese Seko in May 1997 with the aid of Rwanda and Uganda, has accused those former allies of fomenting the three-week old rebellion that is increasingly

threatening regional stability.

Both countries have denied taking part but have warned they might step in if the Zimbabwian and Angolan troops do not pull out.

Unconfirmed reports said Ugandan and Rwandan army units were preparing to intervene in the east, and the Congolese information minister, Didier Mumbengi, said Monday that government forces were already battling Ugandan troops around Kisangani.

Uganda denied military involvement but said it reserved the right to intervene if its security was threatened or if there was evidence of genocide in the Congo.

## 37 Refugees Killed in Attack

Tutsi rebels in eastern Congo attacked a Roman Catholic mission crowded with refugees from the civil war, killing 37 people. The Associated Press reported Tuesday from Vatican City, quoting Fides, the Vatican's missionary news service.

A priest, three nuns and a seminary student died alongside 32 refugees. Fides reported. The attack occurred Sunday in the remote parish of Kasika, near Uvira in South Kivu Province, it said.

The rebels attacked because they suspected the local people of giving food to a pro-government militia, Fides said. The killings marked the first time that Catholic priests and nuns had been targeted for such reprisals, the news service said. All the dead were Congolese, it said.

## India Bans CDs Of Britannica Over Entry on Kashmir

**NEW DELHI** — India said Tuesday it had banned imports of CD-ROM versions of the Encyclopedia Britannica because censors were unable to correct or blacken out maps and text relating to the disputed territory of Kashmir.

"The nonpermission to import the said Encyclopedia Britannica in CD-ROM is on account of inability to insert the required corrections/blackening at this stage," the government said.

It said the CD-ROM version of the encyclopedia had not depicted the external boundaries of India correctly in maps.

It said the text stated incorrectly that the state of Jammu and Kashmir had been in dispute between India, Pakistan and China since the 1947 partition of India, and that warfare over the boundary flared between Pakistan and India in 1965 and 1971.

Pakistan has controlled one-third of the Himalayan region since 1947. The remaining two-thirds lies within India's Jammu and Kashmir state, where more than 25,000 people have died in violence since a separatist rebellion erupted in 1990.

Foreign periodicals and other publications showing territorial lines in the region are usually stamped by Indian censors with the words: "External boundaries of India as depicted are neither correct nor authentic."

## TRAVEL UPDATE

## Airline Rivals End Ticket Refunds

**MINNEAPOLIS (AP)** — Northwest Airlines' competitors have made their trip-priced tickets nonrefundable on some routes in an effort to preclude speculative booking by travelers afraid of being stranded by a strike.

Quietly last week, other major airlines made their normally flexible first-class and business-class tickets nonrefundable on routes in and out of Northwest's hubs — Minneapolis-St. Paul, Detroit and Memphis, Tennessee.

The airlines are concerned that a passenger holding a Northwest ticket might decide to or she needs backup protection and book another ticket on a competing carrier — just in case the pilots at Northwest go on strike Friday night.

New York City visitors came in record numbers last year. Travelers to the city numbered 33 million in 1997, up 3.9 million from 1996. There was a sharper increase in American visitors than in foreign visitors, who made up only about 20 percent of the total. American business travelers numbered 10.4 million, up 28 percent, while American vacationers totaled 16.5 million, up 8 percent. (NYT)

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Bulgaria has lifted value-added taxes on services offered by tour operators to foreigners in a bid to attract more tourists. Bulgaria faces strong competition from Turkey and Greece. (Reuters)

## North Carolina Coast Braces for Hurricane

**The Associated Press**  
**NAGS HEAD, North Carolina** — About 200,000 residents and visitors were told to leave the low-lying, exposed Outer Banks of North Carolina on Tuesday as the hurricane designated Bonnie accelerated on a path that could carry its fury into the barrier island chain.

The National Weather Service said the storm, with winds of 115 miles (185 kilometers) per hour, could be near the Outer Banks by Wednesday afternoon.

Hurricane warnings were posted from Murrells Inlet, South Carolina, to the North Carolina-Virginia state line. The warnings mean dangerous wind and heavy rain could hit the area within 24 hours. Hurricane watches extended south to Savannah, Georgia, and north to Cape Henlopen, Delaware.

The state of Virginia and some coastal communities elsewhere banned swimming because of dangerous currents that officials said caused three drownings over the weekend in South Carolina, North Carolina and Delaware. Lifeguards reported 80 rescues Sunday at Wrightsville Beach, North

Carolina, and up to 100 at Atlantic City, New Jersey.

On the Outer Banks, evacuation orders were issued by Dare County and Currituck, an island accessible only by ferry. People were urged to head for the mainland immediately.

Meanwhile, the weather service said that a tropical depression east of the Caribbean had developed into the fourth tropical storm of the season. That storm, designated Danielle, was located about 1,200 miles east of the Lesser Antilles.

**Flooding in Texas**  
The remnants of the tropical storm designated Charley caused flooding that washed away blocks of homes and caused 14 deaths in Texas and Mexico. The Associated Press reported.

Entire neighborhoods of Del Rio, a Texas city of 34,000 along the Rio Grande, which marks the border with Mexico, were submerged as the floodwaters rolled across the parched land. Many streets remained closed Tuesday.

Del Rio got nearly 18 inches (45 centimeters) of rain in the 24 hours that ended Monday morning.

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## WEATHER

Forecast for Thursday through Saturday, as provided by AccuWeather.

Europe				North America				Asia			
City	Today	Low	High	City	Today	Low	High	City	Today	Low	High
Algeria	33/30	18/5	26/32	Alaska	20/25	10/5	14/21	Alaska	20/25	10/5	14/21
Amsterdam	16/11	10/5	14/21	Alaska	20/25	10/5	14/21	Alaska	20/25	10/5	14/21
Antwerp	18/10	10/5	14/21	Alaska	20/25	10/5	14/21	Alaska	20/25	10/5	14/21
Athens	33/31	23/12	32/38	Alaska	20/25	10/5	14/21	Alaska	20/25	10/5	14/21
Bangkok	28/30	21/10	32/38	Alaska	20/25	10/5	14/21	Alaska	20/25	10/5	14/21
Beijing	25/17	13/5	26/32	Alaska	20/25	10/5	14/21	Alaska	20/25	10/5	14/21
Berlin	18/10	10/5	14/21	Alaska	20/25	10/5	14/21	Alaska	20/25	10/5	14/21
Bombay	28/30	21/10	32/38	Alaska	20/25	10/5	14/21	Alaska	20/25	10/5	14/21
Buenos Aires	19/10	8/5	14/21	Alaska	20/25	10/5	14/21	Alaska	20/25	10/5	14/21
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## THE AMERICAS

## Plan for the 'Gran Tortilla' Divides Mexico City

By Anthony DePalma  
New York Times Service

MEXICO CITY — In all of Mexico, no place has been shaped by destiny or scarred by history more than the enormous concrete square in this city's heart that is known by some as the "gran tortilla" and most simply as the Zocalo.

This is the very spot where Hernan Cortes sweet-talked the Aztec Emperor Montezuma into believing his intentions were noble; where General Winfield Scott triumphantly declared the American victory over Mexico in 1847; where one Mexican president after another has come to receive the adulation — or scorn — of masses of his people.

Because it is a potent symbol, as much as a physical space, the Zocalo often succumbs to the ambitions of politicians who impose their own touches on the long stage of its history.

Over the centuries, successive leaders have arrived and undone the work of their predecessors so their own efforts can be better seen.

Mexico City's new mayor, who is expected to be a candidate for president in 2000, is no exception. What is very different is the process he intends to use to remake the Zocalo, and the message that underlies the project.

Cuauhtemoc Cardenas is Mexico City's first elected mayor. A former member of the long-ruling government party who bolted to the opposition a decade ago, Mr. Cardenas has struggled throughout his first year in office to bring a new, open style to what had been a rigidly autocratic government. Mexico City residents are still waiting to see if anything really changes.

But there are signs. Just over a month ago, to celebrate a Mexican Arbor Day, an environmental fair was held in the Zocalo, a first.

The setting was as significant for Mexico City as the issue. The city is one of the most polluted on earth. Many of the mayor's supporters combine environmentalism with left-leaning politics, and they want him to do something about the foul air.

One proposal called for the use of ethanol in the city's enormous car fleet, which will happen soon. Another was to raise consciousness about the environment by planting trees in the 77,400-square-meter (860,000-square-foot) Zocalo, where the only shade now is the dark silver projected by an enormous metal flagpole directly in its center.

The city's new environmental sec-

retary, Alejandro Encinas Rodriguez, liked the idea. But this being an administration made up of former radicals, a radical decision was made: The people of Mexico City would actually be asked what they wanted done with the Zocalo.

A display was set up in the square showing old lithographs from the many times in the past that the plaza had trees, walkways and benches.

There also were photos taken after 1958, when a strongman mayor, Ernesto Uruchurtu, decided that an open plaza would emphasize the monumentality of the surrounding landmarks — the brooding 16th-century Metropolitan Cathedral, the immense National Palace and the grand City Hall.

The results of the survey were 3-to-1 for trees, and for the first time in a long while, Mexico City buzzed with talk about something other than crime, pollution or the economic crisis.

"I think we effectively touched the most sensitive nerve of the country," said Mr. Encinas. "The reaction was far greater than anyone expected."

Since the survey, newspapers,

magazines and television programs have been filled with discussion of the Zocalo, not all favoring the city's proposal. "A farce and a useless expense," a forestry specialist, Silvia Loera, told a columnist. In another article, Jesus Galvan, a local congressman, called the project cosmetic and said its only purpose was to flatter Mr. Cardenas' image.

An informal survey of Mexicans in the Zocalo on a recent weekend found varied opinions. "I don't like the idea at all," said Patricia Alcantara, a 35-year-old homemaker.

Ismael Ibanez, 69, said he remembered when the Zocalo was green. "It was very nice, with benches and fountains," he said. "If they are going to put trees in again, I think it will be very popular, if there are no demonstrations."

But Mr. Encinas says that raises a sore point, as many people are concerned that the only thing trees would clear the air of is civic expression. Traditionally, as many as 30 groups a day have come to the Zocalo to protest. Some rallies are huge. Others are as small as the little tent

in which Don Pedro Jaso and his donkey, El Chaparro, have been camped for the last 13 months.

Don Pedro, 87, is involved in a land dispute in his home state of San Luis Potosi, 265 miles (425 kilometers) north. He and El Chaparro walked to Mexico City and have camped in the Zocalo because he wants President Ernesto Zedillo to intervene.

His banner facing the National Palace says as much, but no president has had an office in the palace for decades. That does not dissuade Don Pedro, who believes that simply being in the heart of Mexico fortifies his demands even if the president only "comes by for a ceremony every once in a while."

Mr. Encinas, who in his 22 years in the opposition helped organize mass meetings in the Zocalo, said the city planned to keep open areas in front of the National Palace and City Hall to accommodate demonstrations.

Mr. Encinas said there would be a public competition to select a landscaping design. He expects to have a winner by the end of this year.

## Deaths Don't Alter Mexico's Border Policy

By Anthony DePalma  
New York Times Service

MEXICO CITY — The recent deaths of 10 Mexicans who were found in the California desert have drawn attention to Mexico's long-standing position of not discouraging its citizens from undertaking the illegal — and increasingly dangerous — journey across the border.

Fernando Solis Camara, head of the Mexican migration service, surprised officials on both sides of the border with the answer he gave a Mexican reporter who asked what the government was doing to protect those who try to emigrate in the savage heat of summer.

"At no time will we take any action that could discourage Mexicans from emigrating to the United States," Mr. Solis said. "That is because these are people who leave their families and their homes with the legitimate goal of bettering their lives."

More than 90 Mexicans trying to emigrate illegally have been found dead in the California desert near the border so far this year, according to Mexican officials.

Mr. Solis's unusually blunt statement reopened one of the country's most sensitive diplomatic quandaries. Millions of illegal border crossings are virtually unimpeded on the Mexican side, while the U.S. Border Patrol continues to put more money and personnel into securing the border.

Mr. Solis was not available to explain his statement, but at a recent bill-signing ceremony here, his superior, Francisco Labastida Ochoa, minister of the powerful Interior Department, found himself having to explain what Mr. Solis really meant.

"When he says that immigration is not going to be impeded, it simply means that no one is going to limit the freedom of those who seek to improve their lives by migrating to another country," Mr. Labastida said. "This doesn't mean that we are not bothered by what is happening or that we are not undertaking efforts to avoid and reduce the human cost of this migration."

The Mexican consul general in Los Angeles, Jose Angel Pescador, has been put in the difficult spot of having to explain Mexico's position to the relatives of those who died as well as to U.S.

officials and residents of California.

In a telephone interview from his office, Mr. Pescador said Article 11 of the Mexican Constitution guaranteed all Mexicans freedom of movement, which the government interprets as including the right to cross the U.S. border illegally without being stopped by Mexican officials.

But he said the constitution also guaranteed every Mexican's right to safety and good health.

The families of two of the Mexicans who were found dead under a cedar tree on the U.S. side of the border early this month have asked the consul general to investigate the dangers along the border and to identify the smugglers responsible for leaving the illegal migrants to die.

"The death of even one Mexican crossing the border should weigh on the conscience of both countries," Mr. Pescador said.

Recently, the United States and Mexico agreed to cooperate in a campaign to warn Mexicans, and their families in the United States, about the dangers of crossing the border in the desert in the heat of summer.

## POLITICAL NOTES

## Poll Shows Good Mood in U.S. Aids Clinton and the Congress

WASHINGTON — A Washington Post-ABC News poll reports that a general sense of contentment in the country appears to be benefiting both President Bill Clinton and the Republican Congress.

In the poll, taken last week, 57 percent of the respondents said they thought the country was going in "the right direction"; 55 percent said they approved of the way Congress was doing its job.

The survey of 1,015 randomly selected adults was conducted last week after Mr. Clinton's televised statement that he had lied when he denied a sexual relationship with Monica Lewinsky.

The House speaker, Newt Gingrich, Republican of Georgia, remains a controversial figure; only a third of the people said they regarded him favorably.

In the poll, Hillary Rodham Clinton is more popular than ever, with a 64 percent favorable rating, and is better liked than her husband. Ms. Lewinsky is more unpopular than ever, with an unfavorable rating of 74 percent. (WP)

## Richardson, in Energy Post, Vows to Revive Agency 'Luster'

WASHINGTON — Bill Richardson has taken center stage at the Forrestal Building. On his first day on the job as head of the Department of Energy, he wore his good-luck

charm — a blue, double-breasted blazer that shows the wear-and-tear of his years as a diplomatic trouble-shooter — and left little doubt he wanted to elevate the Energy Department to a top-drawer cabinet agency.

"There's nothing wrong with the department that can't be fixed with what is right with this department," Mr. Richardson told employees gathered Monday in the Forrestal Building auditorium and watching across the country by closed-circuit television.

Energy Department employees, who have been rocked by downsizing, budget cuts and, at one point, a congressional effort to dismantle the agency, appeared to give Mr. Richardson a warm reception. "Come to talk to me because we're a team here; just don't overdo it," he quipped, evoking laughter.

Later, he said: "My objective here is to bring a sense of activism to the Department of Energy, restore the department's luster, which it's lost."

Mr. Richardson replaces Federico Pena, who resigned in June. Mr. Richardson will continue at the United Nations, pending the confirmation of Richard Holbrooke, the Bosnia peace negotiator.

Mr. Holbrooke's papers for the UN nomination have not been sent to the Senate, but the administration hopes to have them ready by Sept. 2, when Congress returns from its summer recess. (WP)

## Quote/Unquote

Erskine Bowles, the White House chief of staff, telling his aides to quit griping about the president's political fortunes: "Enough whining. Get back to work." (AP)

## Elena Garro, 78, Renowned Author In Mexico, Dies

New York Times Service

MEXICO CITY — The Mexican writer Elena Garro, whose novels, plays and stories exploring the clash between illusion and reality in Latin America made her one of Mexico's most important literary figures behind her former husband, Octavio Paz, died Saturday at age 78 of emphysema.

The president of the National Council for Culture and the Arts in Mexico, Rafael Tovar y de Teresa, labeled Miss Garro as one of the three most important female writers that Mexico had produced, alongside the 17th-century nun and poet Sor Juana de la Cruz and Rosario Castellanos, Miss Garro's contemporary.

Mexico's literary world "is in mourning again," Mr. Tovar y de Teresa said. Mr. Paz, who won the Nobel Prize in Literature in 1960, died April 19.

Charles Diggs Jr., 75, a Michigan Democrat who served 26 years in Congress before he was censured by the House in 1980 and resigned after being convicted of operating a payroll kick-back scheme, died of a stroke Monday in Detroit. (AP)

## In Hollywood, the Stars Still Turn On for Clinton

For Many Movie Moguls, Starr Is the Scandal

By Sharon Waxman  
Washington Post Service

LOS ANGELES — Say what you will about President Bill Clinton's uncertain support in Congress, in the White House, among former advisers and television and newspaper commentators. In Hollywood, some of his biggest boosters are furious.

At Kenneth Starr, the independent counsel.

"I think that Ken Starr should be tried for treason," said Haim Saban, who heads the Fox Kids Network and created the programming behemoth Saban Entertainment. "We have embassies blowing up around the world," he added, "and we're sitting in a position to be dealing with dresses? It's a scandal."

Mr. Saban, along with many other Hollywood power brokers, is among Mr. Clinton's most stalwart supporters, having donated \$10,000 to the president's legal defense fund. Others from the same category who were contacted gave no sign that their views had been changed by the knowledge that the president had been lying for seven months.

A spokesman for Jeffrey Katzenberg, David Geffen and Steven Spielberg, the founders of DreamWorks SKG and friends of Mr. Clinton, said none of them bore the president any ill will after last week's television explanation.

"All three guys continue to support the president. They feel the investigation has taken too long, gone too far afield and it's time to move on," said Andy Spahn, who heads corporate affairs at the studio. Each studio chief donated \$10,000, the maximum allowed by law, to the president's legal defense fund.

Many of Mr. Clinton's Hollywood supporters seemed to have taken for granted that the president had an affair with Monica Lewinsky, that he lied about it and that it was of no import. Mr. Clinton met with his biggest West Coast backers Aug. 11 at the Katzenberg home to raise money for the California gubernatorial candidate Gray Davis, and chatted with his host late into the night. The studio executive learned that the White House team did not know the results of DNA tests on Miss Lewinsky's blue cocktail dress — a tacit acknowledgment that a match with the president was possible, according to someone who spoke to Mr. Katzenberg shortly after the fund-raiser.

But in Hollywood, committing adultery with an impressionable young woman does not qualify as shocking behavior. In contrast to the walls of other Democrats after Mr. Clinton's admission last

week of an "inappropriate relationship," the attitude here seems to be: He cheated? He lied? He admitted it? Who cares?

As one insider put it: "Clinton chose his supporters well. To pick a Hollywood constituency is a kind of genius; no behavior is shocking out here. Bad judgment here is forgiven if you do your job well."

In general, supporters repeatedly indicated their frustration with Mr. Starr's investigation. "I think it's time for those of us who are mainstream liberals to stand up and say, 'Who cares?' on this point," said Edward Tabash, a Beverly Hills attorney who contributed \$10,000 to Mr. Clinton's defense. "To me it is highly believable and even likely that a president would lie about something which should be nobody's business and yet be eminently trustworthy in matters that pertain to state and his official function. To me, that dichotomy is eminently understandable."

Mr. Tabash said that Mr. Clinton's achievements — in balancing the budget, in starting Middle East peace talks, in promoting education — far outweigh the issues involved in the Lewinsky affair. "I would think that our country will have lost its mind if we permit anyone to push him out of office over this."

At least one contributor said he was hurt by Mr. Clinton's admission, but planned to continue to give to the legal fund out of a conviction that he was the most capable president the country has had in decades.

"He's tied his own hands, and by doing so he's tied the country's hands," said Stanley Scheinbaum, a Los Angeles economist who has contributed \$10,000 to the fund and is about to make another contribution in his wife's name. "I want to do everything to untie his hands."

Mr. Scheinbaum added that when he watched Mr. Clinton's admission last week he felt "anger. No surprise. I had half assumed it was true. But I was angry at him for jeopardizing himself and us in the bargain. He's weakened us at a terrible time."

But far more common was a passionately sympathetic response to the president's predicament. "There is nothing he could have said that would have satisfied the Clinton-haters and the pompous commentators in Washington," said Steve Rivers, a publicist and well-connected Hollywood Democrat who also contributed to Mr. Clinton's legal defense. "I am so angry. I am so disappointed in the media. We're talking about the destruction of the president here."

## Ex-Justice Lewis Powell, a Moderating Voice, Dies

By Linda Greenhouse  
New York Times Service

WASHINGTON — Lewis Powell, 90, who brought a voice of moderation and civility to an increasingly polarized Supreme Court during his 15 years as an associate justice, died Tuesday at his home in Richmond, Virginia.

Mr. Powell died in his sleep of pneumonia, according to a statement by the court.

His tenure on the Supreme Court from 1972 to 1987, was an unexpected second career. He was 64, an age at which he said he had expected to start "tapering off," when President Richard Nixon nominated him to the seat made vacant by the retirement of Associate Justice Hugo Black.

First in his native Virginia and then on the national scene, Mr. Powell had long since reached the highest ranks of the legal profession.

He was a senior partner of one of Virginia's oldest law firms, and he had been president of three major legal organizations, the American Bar Association, the American Bar Foundation and the American College of Trial Lawyers.

Born into the insularity and rigid stratifications of the post-Reconstruction South, Justice Powell cherished his roots in Richmond and at the same time transcended them.

His long life in some respects mirrored the journey of



Lewis Powell in 1987.

John Davidson/The Associated Press

the modern South from the country's fringe to its mainstream. He described his initial response to the Supreme Court's ruling in Brown vs. Board of Education, the 1954 decision that segregation in the public schools was unconstitutional, as one of shock.

Yet as a Virginia civic leader and later as a Supreme Court justice, he stood for moderation and consensus-building on matters of race.

He played a pivotal role on a court that was marked by sharp ideological divisions. He was the balancer and compromiser, a political moderate with an aversion to heated rhetoric and doctrinal rigidity.

Neither his colleagues nor lawyers practicing before the court could take his vote for

granted. He had to be persuaded by the weight of argument, and his vote was frequently the decisive one.

He never lost either his acute sense of the Supreme Court's great power or his conviction that the power had to be used sparingly. For him, judicial restraint was crucial to keeping the balance of power among the three branches of government.

On the other hand, Justice Powell did not hesitate to place the court's weight on the side of those who had nowhere else to turn. In 1982, he joined the court's liberal bloc in providing the crucial fifth vote for a decision requiring Texas to give a free public education to the children of illegal immigrants.

"I am not unmindful of what must be the exasperation of responsible citizens and government authorities" over the influx of illegal immigrants, he wrote in concurring with the majority opinion in Plyler vs. Doe. But the fact remained, he said, that "innocent" children were being denied an education solely because of their parents' illegal status, and were thereby "singled out for a lifelong penalty and stigma."

If in his professional career Lewis Powell seemed to epitomize the legal establishment, his cordly demeanor and soft Tidewater drawl made him the image of the classic Southern gentleman.

Almost ascetically thin, he was so unassuming that he often appeared to melt into the background. In crepe-soled shoes, he strolled the court's corridors and grounds unrecognized by tourists.

His soft manner did not hide the quick and tough mind that had served him both as a lawyer and as head of the Richmond school board in the 1950s, a troubled decade during which he argued successfully against the "massive resistance" campaign that some white city leaders advocated in defiance of the Supreme Court's desegregation mandates.

Lewis Franklin Powell Jr. was born in Suffolk, Virginia, on Sept. 19, 1907. He graduated from Washington and Lee University in Lexington, Virginia, in 1929 and two years later from its law school, where he was first in

his class. The next year, he earned a graduate law degree from Harvard Law School.

After turning down a job offer at a prestigious Wall Street law firm, Mr. Powell returned to Richmond in 1932 and began his legal career as an associate in a small firm.

Soon he moved to a bigger firm and by 1938 had become its 10th partner.

Except for service with the Army Air Corps in World War II, he stayed at that firm until he took his seat on the Supreme Court. He played a leading role in the evolution of the firm, later known as Hunton & Williams, beyond its regional roots to a corporate law practice that was national in scope.

By the time he left the firm in 1971, it was long established as one of the most powerful and prestigious in the South.

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## Away From Politics

• A 16-year-old boy was critically wounded in New York when he refused to drop a water pistol that resembled a sub-machine gun, the police said. (AP)

• The U.S. government wants to take the peregrine falcon off the endangered species list, 30 years after the world's fastest bird was nearly wiped out. (AP)

• West Virginia University and the University of Kentucky aim to be liquor-free by the 2000-2001 school year, after alcohol-related deaths at other campuses last year. (AP)

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## ASIA/PACIFIC

# Intellectuals in China Hail Book on Reforms

Essays Promote Merits of Political Debate

By Erik Eckholm  
New York Times Service

BEIJING — The publication here this month of a path-breaking book on political reform is stirring excitement among liberal intellectuals.

They hope that the book will encourage more open debate about the rule of law, freedom of information and the role of the Communist Party.

The book is titled "Political China: Facing the Era of Choosing a New Structure" (China Today Publishing House).

It brings together 39 recently published essays by 32 scholars, journalists, former government officials who were dismissed for their democratic sympathies, and even an adviser to President Jiang Zemin.

"This is the most comprehensive book devoted to political reform to be published in China since 1989," said one of the authors, Li Shuguang, a law professor at the University of Political Science and Law in Beijing.

While there was a brief flowering of debate on political change in the late 1980s, it was abruptly halted when troops smashed the Tiananmen Square pro-democracy demonstrations in 1989.

All the book's essays have appeared previously in Chinese journals and newspapers.

Scholars say they have felt a bit more free recently to discuss the political system so long as they do not challenge the Communist Party's primacy.

The essays represent a range of views on how deeply the system must change.

But together, they capture the discussions among more liberal thinkers who have begun to voice sharp questions about a system that even Communist Party leaders concede is riddled with corruption.

Yet, the book also reveals just how narrow the boundaries of permissible discourse have remained.

Not a single author dares to bring up multiparty politics or to call for the direct election of national leaders.

In the book's preface, Jiang Ping, who was forced from the presidency of the University of Political Science and Law in 1989 because he failed to toe the party line about the crushed student movement, writes:

"Discussing political structural reform is not just an armchair strategy, but will build up psychological anticipation for the reform in society."

Surprisingly, the book was edited by two men with high-level jobs in major official newspapers: Dong Yuyu, a senior editor of Guangming Daily, and Shi Binghai, a senior editor with China Economic Times.

Liu Junming, a political scientist at the Chinese Academy of Social Sciences who wrote four of the essays, said in an interview that he hoped that the book would "create a general atmosphere in which people may widely discuss political reform and possible democratization."

Wary of provoking government censors, the publisher and editors have avoided active promotion.

But the first printing of 30,000 was unusually large for highbrow books here, and the volume is selling throughout the country.

One essay is by Wang Huning, an adviser to the president, and calls for greater separation of government and industry and measures to build the rule of law — all under the Communist Party's leadership.

The more searching essays explore the implications of limiting the reach of the party, creating a stronger legislature, the benefits of a free press and protection of civil rights.

But any suggestions for changing the basic system must be found by reading between the lines.

Mr. Liu calls for a constitutional guarantee of private property rights, part of a broader effort to restrict the role of government.

Xie Qingkui, a political scientist at Beijing University, asks why the country's much-wanted village elections should not be tried at the township and county levels.

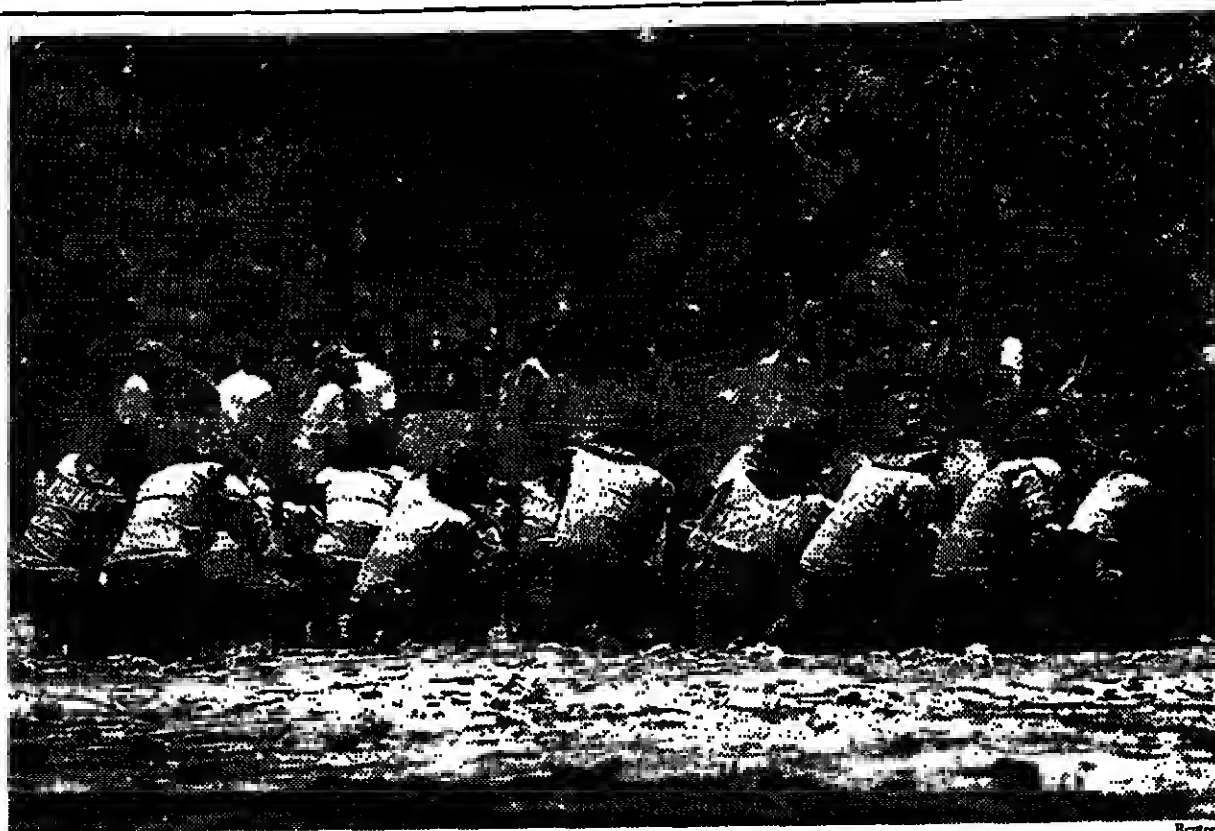
The editors of "Political China," in a postscript to their book, said: "We hope the book will create ample room for discussions on reform."

"If the consequence runs counter to our expectation, it will not be the misfortune of just the editors."

## China Jails a News Source

A Chinese court has jailed a dissident for seven years after he leaked news about a workers' protest to foreign journalists, a Hong Kong-based human rights group said on Wednesday, according to Reuters.

A district court in Mianyang city in southwestern Sichuan province convicted Li Bifeng, 34, of fraud charges, said the Information Center of Human Rights and Democratic Movement in China.



Riot police using shields for cover from rocks thrown Tuesday in Palu by backers of Megawati Sukarnoputri.

# 9 Indonesians Hurt in Fight Over Party

Police Fire Warning Shots as Megawati Supporters Try to Block Meeting

The Associated Press

JAKARTA — Police fired warning shots and tear gas Tuesday at stone-throwing supporters of an opposition leader who tried to disrupt a congress held by a rival party faction.

At least nine people were injured in the clash involving followers of the opposition figure Megawati Sukarnoputri in the Sulawesi island city of Palu, the police said.

Mrs. Megawati was forced out as head of the Indonesian Democratic Party in a military-sponsored party congress in June 1996, when Indonesia was led by President Suharto. Mr. Suharto resigned in May amid riots and student protests.

The government-backed candidate

who replaced Mrs. Megawati, Soerjadi Soedirdja, opened a congress this week in Palu, 1,550 kilometers (950 miles) northeast of Jakarta, to pick a new leader of the party.

About 1,000 backers of Mrs. Megawati converged on the building where the congress was being held, claiming that Mr. Soerjadi had been illegally installed as party chief.

Fighting broke out when they tried to force their way into the meeting hall and the police blocked them. Security guards at the congress also hurled rocks at Mrs. Megawati's supporters.

Mrs. Megawati is the eldest daughter of President Sukarno, the founding president of Indonesia. She is seen as a strong candidate for president in elections set for next year.

In May, President B.J. Habibie took over from Mr. Suharto, pledging democratic reforms in the nation of 202 million.

Mrs. Megawati was removed as party leader because of her consistent calls for greater democracy in the country, which was ruled with an iron hand by Mr. Suharto for three decades.

Her ouster set off riots in Jakarta on July 27, 1996, following the storming of the party's headquarters by police and Mr. Soerjadi's supporters.

At least five people were killed and more than a dozen are still missing. The police blocked about 300 workers from marching in Jakarta streets Tuesday to demand labor rights.

Surrounded by weeping family members, Mr. Lim said, "If this is the outcome of me helping someone, then I have nothing more to say."

Before being taken away by the police, he gave members of his family his wallet, car keys and suit coat, and faced the gallery.

"I will hold up the handcuffs that will be placed upon me not as a symbol of shame, but as a symbol of pride and honor," he told the spectators. "My political career may have terminated but my political struggle will go on."

Mark Daly, a representative of Amnesty International who attended the hearing, said he was "deeply shocked" by the decision.

"Amnesty International believes Lim Guan Eng today becomes a prisoner of conscience solely for expressing his opinion and fulfilling his duties as a member of Parliament," Mr. Daly said.

Mr. Lim said he became aware of the case when the grandmother of the girl came to him for help. She wanted to see her granddaughter, who was in police custody, but had been turned away.

Following a news conference the next day, during which Mr. Lim highlighted the case, the grandmother was given permission to visit her granddaughter.

"He has done nothing wrong," said the grandmother. "The innocent people are facing jail and the guilty are free."

Among the major European insurance companies who signed the agreement were Allianz AG Holding of Germany, the French company AXA Group, the Swiss company Baseler, and Der Anker of Austria, Mr. Levin said.

The announcement comes a week after Italian insurance company Assicurazioni Generali agreed to pay \$100 million to settle outstanding claims brought on by a class-action lawsuit.

Switzerland's two major commercial banks agreed earlier this month to pay \$1.25 billion to survivors as restitution for lost assets.

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## BRIEFLY

## India Steps Up Efforts To Aid Flood Victims

LUCKNOW, India — Relief workers stepped up efforts on Tuesday to help tens of thousands of people marooned by flooding in northern India as waters from monsoon-swollen rivers disrupted vital communication links.

Nareb Dayal, a senior official of Uttar Pradesh state, said additional army personnel were being rushed to flooded eastern areas of the state and dozens of boats were being used to evacuate people to makeshift camps.

He said that an estimated total of 370 people had died this month due to flooding, most of them within the last 10 days.

Up to 700,000 people in Uttar Pradesh, India's most populous state, were completely cut off by the flood waters, Mr. Dayal said. The floods have affected more than 4 million people in the state, he said. (Reuters)

## Crowd Again Protests Over Cambodian Vote

PHNOM PENH — Keeping up pressure on the leader of Cambodia, Hun Sen, 5,000 people on Tuesday protested alleged election fraud and cheered calls for his ouster by an opposition leader.

It was the third demonstration against the Cambodian strongman in as many days.

Crowds blocked roads and crammed into a park in front of Parliament, where 100 people spent Monday night in a protest vigil.

Interior Minister Sar Kheng, who is in charge of the police force, met with a United Nations representative to Cambodia to try to find a way to stop the round-the-clock vigil, which has raised fears of new violence in this troubled Southeast Asian nation. (AP)

## India Calls U.S. Talks On Weapons 'Candid'

NEW DELHI — Indian and U.S. diplomats held "positive, candid and constructive" talks on nuclear arms control, but work is still needed to narrow the differences between them, an Indian official said Tuesday.

A government spokesman said that both sides agreed at their meeting in Washington on Monday to work for an atmosphere that could make possible a visit to India by President Bill Clinton.

"At the last meeting there was a narrowing of differences," the spokesman said. "That trend seems to be continuing, but more work is required."

Mr. Clinton's proposed visit to South Asia, slated for November, has hung in the balance since India carried out nuclear tests in May, prompting its arch-enemy, Pakistan, to answer with experimental blasts of its own.

But the Indian spokesman gave no details of the discussions that were held between a U.S. deputy secretary of state, Strobe Talbott, and Jaswant Singh, the envoy of Prime Minister Atal Behari Vajpayee of India. (Reuters)

## BRIEFLY

## 6 Young Algerians Are Killed

ALGIERS — Six Algerian adolescents were killed and their bodies mutilated and booby trapped with explosives, rescue workers and relatives said Tuesday. The bodies of the victims, aged 12 to 15, were found Monday in an underground passage near official residences used to house foreign visitors, said workers at the Mustapha Hospital, speaking on condition of anonymity.

The tunnel extends over 4 kilometers (2.5 miles) on four levels, with at least four exits.

Nobody claimed responsibility for the attack. The Armed Islamic Group, which is trying to oust the military-backed government, has been known to use the tunnel as well as other underground passages and the city's sewers to move about the capital. (AP)

## 16 Convicted in Sierra Leone

FREETOWN, Sierra Leone — Sixteen civilians were found guilty of treason in Sierra Leone on Monday and could be sentenced to death for complicity in a May 1997 coup.

Two others were acquitted. The coup ousted President Ahmad Tejan Kabbah for 10 months. Mr. Kabbah was reinstated in March.

The 18 people were tried on various charges of collaborating with the Armed Forces Ruling Council, which was driven out of Sierra Leone by Nigerian and other West African troops.

The law under which they were tried provides for execution by firing squad. The defendants can appeal within 21 days. (Reuters)

## 2 Bodies Found in Bahamas

NASSAU, Bahamas — The bodies of a British tourist and another woman, possibly an American teacher, have been found hidden in bushes on a Bahamian resort island, police said on Monday.

Joanne Clarke, of Oxfordshire, England, disappeared on Friday while vacationing on Paradise Island near Nassau. Her body was found by friends on Saturday in a clump of bushes, the police said.

The body of a second woman was found close by. It was believed to be that of Lori Fogleman, a teacher from Virginia, the Nassau Tribune reported. (Reuters)

## Colombians Hold Peace Talks

GENEVA — Members of the Colombian Parliament have held talks in Geneva with members of the rebel National Liberation Army, a spokesman for the Inter-national Committee of the Red Cross said on Tuesday.

The day-long talks came amid efforts by President Andres Pastrana to try to end Colombia's three-decade guerrilla war, the longest-running one in Latin America. Six members of Parliament and three representatives of the rebels, including Pablo Beltran, one of their two top commanders, met on Monday. (Reuters)

## INTERNATIONAL

# European Insurers Sign Agreement on Holocaust Claims

The Associated Press

NEW YORK — Leading European insurance companies signed an agreement Tuesday to resolve the unpaid Nazi-era policies of Holocaust victims, although attorneys for some survivors remain opposed to it, a key member of the negotiation team said.

The agreement — independent of pending class-action lawsuits — was negotiated by the World Jewish Congress, the National Association of Insurance Commissioners and European insurance companies.

The memorandum of understanding establishes an international commission that would examine the companies' archives, set up a process to resolve claims and determine a company's liability, said Neil Levin, vice chairman of the negotiating task force for the insurance commissioners and superintendent of the New York State Insurance Department.

"This means that finally moral and material restitution will finally be made," he said. The amount of the claims is not immediately known, but it is expected to be well into the millions.

But attorneys representing thousands of Holocaust survivors said they did not support the memorandum, claiming it was not legally binding and did not guarantee quick payment of policies.

"They have been waiting 50 years to resolve this, and they don't want to wait another 50," said Linda Gerstel, attorney of Anderson, Kill and Olick in Manhattan.

As part of the agreement, the insurance companies also would immediately pay money into two funds — a humanitarian fund and an equity fund — that would begin paying provable claims immediately.

"This is not charity. This belongs to the survivors and their heirs," said Rabbi Abraham Cooper of the Simon Wiesenthal Center in Los Angeles.

The attorney Ed Fagan said some problems with the agreement were that companies were not bound to it

and that survivors were not consulted.

"They haven't asked the survivors what they think," he said. "They haven't even allowed them into the meetings."

But Elan Steinberg of the World Jewish Congress disagreed, saying his organization represented survivors, other Jewish organizations and the government of Israel in the negotiations.

"These insurance companies have to do business in the United States. If they don't follow through with the agreement, they lose business," Mr. Steinberg said.

The announcement comes a week after Italian insurance company Assicurazioni Generali agreed to pay \$100 million to settle outstanding claims brought on by a class-action lawsuit.

Switzerland's two major commercial banks agreed earlier this month to pay \$1.25 billion to survivors as restitution for lost assets.

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## Judges to End Inquiry Into Death of Diana

The Associated Press

PARIS — Paris prosecutors issued a rare statement Tuesday concerning the inquiry into the death of Diana, Princess of Wales, saying the investigation would conclude in October.

The prosecutors, however, revealed no new breaks in the case, which is nearly a year old. "The investigations ordered by the judge should be completed at the end of October," they said.

The statement came after Judge Herve Stephan questioned two key witnesses, the president of the Ritz Hotel and his assistant. It was the first time Judge Stephan had questioned Ritz management about the car crash last Aug. 31 that killed Diana, her boyfriend, Dodi al Fayed, and their driver, Henri Paul.

In addition, the judges said they were still examining the blood of Mr. Paul — this time not for alcohol, but to explain an abnormally high level of carbon monoxide.

Repeated blood tests found Mr. Paul was heavily drunk at the time of the crash. That, and the high speed he was believed to have been traveling at, always have been assumed to be major reasons for the crash.

Three tests are still under way in the investigation, the statement said, including one on "the origin of the level of carbon monoxide, slightly higher than average, found in the blood of driver Henri Paul."

Carbon monoxide poisoning can cause dizziness, headaches, nausea and disorientation.

## NIGERIA: New Junta Leader Sets His Nation on the Democratic Path

Continued from Page 1

"He's established a bit of a record of delivering on his pronouncements."

[General Abubakar ruled out standing as a candidate in his country's presidential elections, announced for February, Agence France-Presse reported from Robben Island, South Africa.

"Certainly not. It has never even crossed my mind," General Abubakar said, when asked if he would be a candidate for the presidency. The timing of the election was announced in Nigeria earlier Tuesday, while the general was on a visit to South Africa. He welcomed the announcement of the elections, due to be held Feb. 27, according to officials in Abuja.

"The dark cloud which was hanging around us is lifting," said Stephen Olugbemi, a political science professor at the University of Lagos. "No one is looking over his shoulder," he said, "before expressing his political view."

If not for General Abubakar's death, "by this month, it would have been a different story for Nigeria," Mr. Olugbemi said.

General Abubakar had scheduled a presidential election for Aug. 1 in which he was the sole candidate, and many Nigerians feared a season of bloodshed in reaction.

At the same time, General Abubakar appears to be skirting sensitive issues that rouse opposition within the army. He has freed scores of prominent political prisoners but left others in prison, including alleged

and Abacha coup plotters and ethnic Ogoni who demand autonomy for their region in the Niger River delta.

General Abubakar's style has gone some way toward disarming Nigerians cynical about the military's broken promises to leave power. Last week, General Abubakar caused a sensation simply by visiting Lagos, Nigeria's largest city and a hotbed of Yoruba opposition; in his five years in power, General Abacha never set foot in Lagos.

In contrast to General Abacha's pompous, paranoid practices, the newspaper Thisday declared, General Abubakar "made total rubbish of expectations" by arriving in Lagos in a small executive jet, rather than his predecessor's plush, presidential Boeing 727. Journalists marveled that they were permitted to approach the general to take pictures.

In further contrast to General Abacha's methods, General Abubakar has striven to show that the vote for a new civilian government will be fair. After removing close Abacha allies from among the military officers who head Nigeria's 36 state governments, he instructed their replacements that "this administration will not tolerate any covert or overt participation in the political process by any of its functionaries."

General Abubakar decreed also that the new election commission "shall not be subjected to any directive" and named a former judge, Ephraim Akpata, 71, to head it. Justice Akpata "is not seen as someone who may be dictated to," said Clement Nwankwo, a political activist who heads the

Lagos-based Constitutional Rights Project.

Prominent politicians have been scurrying around the country, meeting in hotels and conference halls to form parties and bargain for places in the broad coalitions expected to emerge. Interethnic alliances are essential in Nigerian politics, as no single group has the votes to form a government. Since Nigeria gained independence from Britain 38 years ago, ruling coalitions have been dominated by northern Hausa speakers, with other ethnic groups, notably southern Ibo or Yoruba, in junior roles.

General Olusegun Obasanjo, a Yoruba who ruled for three years, is the only southerner to have led the country as anything more than an interim figure.

Yoruba and Ibo groups held conferences this month to try to unify their political leadership and buttress their demand that Nigeria's next president come from the south. Many Yoruba and Ibo recite that demand almost as a mantra, saying it is the only way to ensure stability under a new civilian government.

Despite such rhetoric, political analysts from both north and south say that many Nigerian political leaders are inclined to moderation and that northern politicians may be more prepared than at any time in the past to concede leadership to the south.

"Northerners have told me that the south is not really entitled to the presidency but that 'we'd better give it to them anyway' to avoid a bigger rupture," said a Western diplomat in Lagos.

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Lagos-based Constitutional Rights Project.



# Blair to Recall Parliament to Vote on Toughening Anti-Terror Measures

The leader of the opposition Conservative Party, William Hague, said he expected Parliament to convene next

On Tuesday, Mr. Blair went to Omagh, where the population remains in shock more than a week after a huge bomb tore a shopping street apart. An Irish Republican Army splinter group is believed to have mounted the attack.

While Mr. Blair did not elaborate on the specifics, the measures adopted by Ireland that he proposes to emulate include widening government power to "intern" terrorist suspects without trial, tightening bail conditions for those ac-

The last time the British Parliament was recalled was in 1990 when Prime Minister Margaret Thatcher secured its accord to dispatch British forces to the Gulf after Iraq's invasion of Kuwait.

Andrew Mackay, a member of the Conservative Party who oversees its Northern Ireland policies, said that his party would fully cooperate to bring "evil psychopaths" to justice and assure swift passage of measures to crack down on terrorist activities. "I believe our security forces must be able to

Mr. McGuinness called Northern Ireland's predominantly Protestant Royal Ulster Constabulary the most discredited police force in Europe and said innocent people therefore could be jailed.

In interviews with citizens and journalists around Russia on Monday, little information surfaced to suggest that he might be wrong this time.

analysis interviewed expressed confidence that the Russians' legendary patience would see them through this bout of suffering, as it has through the hyperinflation, joblessness and unpaid wages



Things were much, much worse early this decade, the analysts stressed, when inflation consumed peoples' life savings and tanks rolled in the streets.

Mrs. Maltseva and her husband, Gen-nadi, said that doctors in their city of 50,000 have been on a hunger strike for two weeks.

"I never thought we would live like this," she added. "We're even sensing panic."

slave laborers under the Nazis by contributing to funds for Holocaust victims living in eastern Europe, the government said Tuesday. (AP)

most, some city employees may have spent some of their time working for his party. But some municipal employees have acknowledged that in fact they did

Mr. Tiberi was accused two years ago of having \$300,000 worth of work done at city expense in 1989 to fix up an apartment for his son. He disputed the charges.

most, some city employees may have spent some of their time working for his party. But some municipal employees have acknowledged that in fact they did no work at all for the city.

German industry could compensate people forced to work as slave laborers under the Nazis by contributing to funds for Holocaust victims living in eastern Europe, the government said Tuesday. (AP)

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# Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## Back to Chernomyrdin

### Retreat From Reform?

Five months after abruptly firing Prime Minister Viktor Chernomyrdin, Boris Yeltsin has just as abruptly brought him back. An increasingly erratic President Yeltsin flailing about in the Kremlin is becoming a major cause for concern in Moscow and Washington, recalling the unnerving days when ailing and aging Soviet leaders like Leonid Brezhnev continued to wield power despite faltering judgment.

Although Mr. Chernomyrdin is a known quantity, his return to office is anything but reassuring. It seems to signal a particularly untimely retreat from economic reform. The challenge for President Bill Clinton, who still plans to proceed with a Moscow summit meeting scheduled for next week, is to lend a stabilizing hand to the Yeltsin-Chernomyrdin government without appearing to lead American endorsement to any slowing of reform.

Only last March, Mr. Yeltsin dismissed Mr. Chernomyrdin, and declaring that revitalizing the Russian economy required "new blood," appointed a cabinet of youthful and committed reformers under Sergei Kiriyenko. Now, in the midst of a dangerous banking crisis that could destroy Russia's ability to borrow in international markets, Mr. Yeltsin has dumped those reformers in favor of a man whose legacy of halfway measures and tolerance for corruption contributed mightily to Russia's underlying problems.

As Russia tries to navigate its way out of a financial crisis that requires making difficult choices, it can ill afford Mr. Chernomyrdin's cautious, compromising leadership style. Economically, Russia is now in a deep, downward spiral. The government has been unable to collect taxes or pay its workers, and has lost the confidence of foreign investors who only months ago were pouring money into a country that was ill equipped to handle it. Finding a way to restructure the debts of both the government and the Russian banks will be a difficult challenge. The previous government had promised to announce its plans on Monday but did not last long enough to do so.

### A Downward Spiral

President Boris Yeltsin's reappointment of a prime minister he had fired only five months ago seems an act of desperation. When he cashiered Viktor Chernomyrdin in March, Mr. Yeltsin denied the long-serving prime minister as a spent force. By returning this same politician to power now, the president will have convinced many of his countrymen that the same disparagement could be applied to him.

Back in March, faulting Mr. Chernomyrdin's government for its lack of "dynamism," Mr. Yeltsin appointed a young, pro-reform prime minister and cabinet. But the new team moved from one crisis to another, culminating in the recent decision essentially to devalue the ruble and default on some of Russia's debt. The causes of this downward spiral were partly external — spillover from the Asian financial crisis and a fall in the price of Russia's most important export, oil. But the crises also were a legacy of the half-measures achieved by Mr. Chernomyrdin, who was unable or unwilling to push through reform in land, tax and other law that Russia needs to attract investment. The result was economic depression and the emergence of a corrupt capitalism dominated by a few oligarchs whom Mr. Chernomyrdin was loath to challenge.

That is what Mr. Yeltsin now has returned to. The president said his goal was "not to allow a step backward, but to maintain stability." But in Russia's crippled state there can be no stability, only progress through difficult reform or continued decline. The debt moratorium has scared foreign investors away. Russia's young banks are teetering. There will be a huge temptation to save them by stoking inflation, which could lead to Weimar-like political instability.

In one sense, Mr. Yeltsin's latest tack is nothing new. He has alternated between pushing reform, and thereby provoking the Communist-dominated Parliament, and backing away from reform when the opposition became too intense. Perhaps, given the deep divisions within Russian society, he had no choice. But the result has been

While bringing back Mr. Chernomyrdin makes little sense in terms of Russia's economic problems, it is much easier to decipher politically. Mr. Chernomyrdin, who was himself a Soviet-era industrial manager, has good relations with the two sectors of Russia's political establishment most threatening to Mr. Yeltsin's authority, the Communist opposition in Parliament and the powerful new financial and industrial groups that now dominate the news media and contribute heavily to political campaigns. By appointing their ally, Mr. Chernomyrdin, the ailing Mr. Yeltsin may have improved the odds on his own political survival at the expense of Russia's economic future.

The big industrial groups bankrolled Mr. Yeltsin's 1996 re-election victory, and their leaders have exercised considerable political influence ever since. They loathed the financial reforms announced by the Kiriyenko administration, particularly its efforts to tighten tax collection. They are also determined to make sure that the Russian banks they own, and not foreign creditors, stand first in line when the government eventually resumes paying its debts. Mr. Chernomyrdin's return may be a sign that Mr. Yeltsin feels increasingly unable to stand up to these industrial tycoons.

Despite these disturbing signs, Washington should not postpone next week's summit meeting. That would diminish Mr. Yeltsin's waning political prestige. Instead Mr. Clinton and his entourage should use their stay in Moscow to get a firsthand reading of Russia's increasingly volatile political scene. Mr. Clinton should also press for better coordination on foreign policy issues. Mr. Yeltsin's outburst last week against American missile attacks on terrorist targets and Moscow's excessive indulgence of Saddam Hussein highlight the urgent need for repair work in this area.

Finally, Mr. Yeltsin and Mr. Chernomyrdin should be reminded that moving forward with economic reforms is the best prescription both for healing Russia and for maintaining strong American support.

—THE NEW YORK TIMES

to leave reformers feeling abandoned, Communists dissatisfied and ordinary Russians disillusioned.

The latest turmoil further clouds the prospects for a summit between Mr. Yeltsin and President Bill Clinton due to begin next Tuesday. If Mr. Yeltsin wants to proceed, Mr. Clinton is right to go, to show support for democratization and free market reform. But as a practical matter, Mr. Clinton cannot bring much help to Moscow next week. He has correctly stressed that the choices Russia makes, whether to cast its lot with Europe and the West or to turn inward, have huge consequences for America. But those are choices that no outsider can make on Russia's behalf.

—THE WASHINGTON POST

### Other Comment

#### A Smooth Transition

I am betting on a smooth transition to the third millennium. The collapse of the ruble won't destroy Russia, which has survived every horror known to man, from Genghis Khan to Adolf Hitler. Indian and Pakistani nuclear weapons cancel each other out. Beijing prefers capital accumulation to "Das Kapital." Islamic terrorism is on a level with Irish republican atrocity — contemptible but futile.

Finally, though it may be that President Clinton is on a collision course with impeachment, the magnificently flexible American political system will shrug that off, and American common sense will endorse his successor. His last public act, when he visits Belfast next month, may be to make Sinn Féin/IRA begin surrendering its weapons. A foolish but essentially likable man, he could retire honorably on that achievement and look forward to the same rehabilitation that Nixon enjoyed.

—John Keegan, commenting in *The Daily Telegraph* (London).

Russia's 1993 constitution, which vested the president with unlimited powers, has turned out to be unworkable and dangerous. It is a source of political instability, engendering irresponsible behavior.

—Mikhail Gorbachev, in a syndicated column.

STASBOURG — There are of course great differences between Northern Ireland, Bosnia and Kosovo, but there are also similarities. In each case, ethnic or religious frictions have been exploited and aggravated through a sadly familiar chain of events.

When moderate political forces have failed to deliver, radicals have gained ground, weapons have flowed in from sympathizers abroad, attacks have been followed by revenge, and extremist positions have further hardened.

The way out of such evil spirals is arduous and complex, as we know from both Dayton and Belfast. Substantial international pressures and support are no less vital than an inclusive constitutional framework for domestic peace-building.

For far too long, the Belgrade authorities have rejected international involvement in what they regard as their own internal affair. This position is untenable for at least three reasons.

First, it reflects an antiquated notion of sovereignty. In the Council of Europe — to which Yugoslavia aspires to belong — we are deeply convinced that human rights issues are our common concern and not the exclusive domain of any one state.

This conviction, which underlies the European Convention of Human

By Daniel Tarschys

Rights, is based not only on idealism but also on self-interest. In today's Europe, no country can feel safe with chauvinist and authoritarian neighbors. That is why common values lie at the very core of the new security system that Europeans are trying to build.

Second, repression in Kosovo had a significant impact on other European states long before the recent violence started. Several hundred thousand Kosovars reside outside Yugoslavia.

Third, autarky is no realistic option for Belgrade. To find a way out of Yugoslavia's poverty and self-isolation, its leaders cannot merely pretend to accept fundamental standards. They must do so also in practice.

After the end of the Cold War, intra-national conflicts and minority problems have surged onto the European political agenda as the main threat to the continent's security. If identified in good time, such dangers can be met with a panoply of civilian measures.

The most important defense is to reinforce the basic instruments of "democratic security." Strengthening the rule of law, promoting transparency and accountable governance at all levels and building an independent ju-

diary are indispensable and indissoluble elements in that strategy.

But more specific measures are also required to satisfy the legitimate needs of various minorities. With the mosaic of ethnic and linguistic groups in Europe, few, if any, states are entirely homogeneous. A country that cannot cope with this diversity and integrate its citizens in a respectful manner may sooner or later face disintegration.

At the Vienna summit in 1993, the Council of Europe received a mandate from its member states to address this problem. Two new treaties have been developed: the European Charter on Regional and Minority Languages and the Framework Convention on the Protection of National Minorities.

Both go into effect this year, with the implementation to be supervised by independent experts.

But many states have yet to join these conventions. The issue is a touchy one, sometimes affecting, or so it is felt, the established conception of the country as a nation-state.

The aim is to combat xenophobia and distrust between traditionally antagonistic peoples, and to strengthen cross-border cooperation as well as local and regional democracy. An important task is to make history education an eye-opener and not a mind-closer.

Many European states have resorted to constitutional engineering to grant a special status to particular regions or minorities. Several of the newly established democracies have been assisted by the Council of Europe's Venice Commission on Democracy Through Law, a panel of constitutional law experts with advisory competence.

The Kosovo struggle revolves around the issue of self-government. For the Kosovo Albanians, restored autonomy is no longer enough. For the Serbs, independence is unthinkable.

The chasm between these two seemingly irreconcilable positions is not unbridgeable. Recent European experience, from Northern Ireland to Moldova, shows that tailor-made solutions can be painstakingly developed.

The Yugoslav leaders may be about to crush the resistance on the battlefield, but can they ever regain the cohesion of their country?

Beyond human casualties, the major losses of a war are mental and moral. Restoring trust and respect for human rights must be the cardinal aims of any strategy for recovery.

The writer is secretary-general of the 40-nation Council of Europe. He contributed this comment to the *International Herald Tribune*.

## The World Is in Trouble, and Japan Could Be Helping

By Alan S. Blinder

PRINCETON, New Jersey — We Americans are now in the summer of our economic content. But much of the rest of the economic world has become a dangerous place.

Several Southeast Asian nations are in what can only be called a depression. China, it is said, may have to devalue its currency. Japan is sagging badly. Russia lurches from one crisis to the next. And parts of Latin America look shaky.

Some pessimists are even fretting about the United States. The stock market seems precarious, we save too little, our trade deficit is alarming, the Federal Reserve might raise interest rates, growth is slowing. But I believe that our worries should be directed across the Pacific. Anxieties about the American economy are overblown.

Although the great American growth machine slowed dramatically in the last quarter, the apparently meager 1.4 percent growth rate resulted largely from an inventory correction and the General Motors strike. Without those two factors, growth would have topped 4 percent despite a notable drag from foreign trade.

Besides, a little slowdown is welcome right now, when there is a real danger of overheating. The stock market has been correcting, calmly so far, for what seem to be the right reasons: It is coming to see unrealistically optimistic earnings forecasts as well, unrealistic. And those a-wild trade deficits, I would argue, are just what the doctor ordered for the rest of the world.

So there is no need for panic on the domestic front. Neither is the situation in Russia, which is grabbing the gloomy headlines these days, a serious economic concern for the United States (although it is a deadly serious foreign policy matter). The Russian economy is simply too small and too little connected to the rest of the world to matter much.

If you want to worry, start with Japan. Its economy, once

mighty, has struggled for most of this decade and now appears to be in the grips of a serious recession.

Despite near-zero interest rates for nearly three years and several large stimulus packages, the economy has failed to pick up. And the Japanese political system has repeatedly shown itself incapable of taking decisive action.

Since Japan accounts for roughly one-eighth of the world economy, all that is bad enough. But there is much more.

Much of Asia is in serious trouble, and the region's biggest economy is too sick to help. A healthy Japan could be assisting its smaller neighbors financially while they lifted themselves out of the morass, in part by exporting to Japan, but that escape route has been effectively closed by Japan's recession.

Can Asia recover while its largest economy sinks? It's a good question, to which I fear the answer is "no."

Furthermore, the whole world is fearful of financial contagion. When Thailand's markets got sick in July 1997, Malaysia's and Indonesia's quickly followed. A few months later, a crack in the (comparatively) tiny Hong Kong stock market echoed loudly in New York.

In June, a falling yen shook emerging markets all over the world, and a shuddering ruble did so again this month. Imagine, then, the potential financial repercussions of a real financial meltdown in Japan.

What to do? The United States may be the undisputed world leader, but most of the answers lie in Japan.

First, and most assuredly foremost, Japan must clean up its banking mess and nurse its financial system back to health. In my view, it is more important that Japan do so quickly than that it follow what might be called the American way — shuttering

monied banks, paying off depositors with public money, kicking out the management and selling off the bad assets.

That recipe sounds about right to me. But remember that, in the case of America's savings and loan debacle, we dithered for years before finally biting the unpalatable bullet. If insisting on an American-style approach will delay the process further, better to use a less confrontational, more Japanese approach — even if that means, for example, keeping wounded banks alive by merging them into stronger ones. The motto should be: Just do it.

Second, government policy must remain strongly expansionary. That means keeping interest rates extremely low, enacting permanent tax cuts and providing even more dollops of

### Nobody Knows How to Keep Growing

FORGET the suicide car bombers and Afghan fanatics. It's the financial markets, not the terrorist training camps, that pose the biggest immediate threat to world peace.

When the Soviet Union collapsed seven years ago, Washington fine-tuned its policy but made no basic changes. The goal changed from defeating communism to promoting democracy, but the basic reasoning stayed the same: Fanning them up keeps America prosperous and the world at peace.

That simple idea is the real core of U.S. foreign policy, plus maintaining a military strong enough to scare off the lean and hungry guys who can't or won't climb on the chow wagon.

There's only one problem: The United States has a goal, but it doesn't have a plan. The economic ideas that the Washington policy establishment thought would guarantee growth in Asia and elsewhere used to work. Now, suddenly,

government spending. The time to debate the merits and demerits of these three ways to stimulate domestic spending is long gone. Japan must use every option available.

Third, Japan and the rest of the world need to tolerate an exchange rate in the current range (about 145 yen to the dollar) or even lower. Let's not forget that Japan is still home to some of the world's great manufacturing corporations. A cheaper yen makes these companies' products more attractive to foreign buyers.

The important point here is that having a super-weak yen should not be viewed as a permanent condition. Rather, it is a temporary, cyclical phenomenon, much like near-zero interest rates and the yawning budget deficit. As the Japanese economy recovers, so will the yen.

Critics object that a weak yen

imperils other Asian countries by making their exports less competitive. They have a point, but an exaggerated one. Only South Korea competes directly with Japan in a variety of product lines; other Asians sit lower on the technology ladder.

And remember the object of this exercise: to get the Japanese economy growing again. A healthy Japan will provide markets for its neighbors.

What about the United States? Is there anything the U.S. government should be doing to help? Yes, but fortunately not much, other than to make sure that our own giant economy keeps humming.

The world's financial markets certainly do not need an interest rate increase from the Federal Reserve right now. Fortunately, Fed decision makers have been smart enough to do nothing for almost 18 months now.

Even though I subscribe to many of the criticisms of the IMF, Congress should quickly pass the IMF financing measure that the administration has requested. Yes, this may amount to throwing some good money after bad. But we can ill afford to shut down the world's economic fire department just when dry tinder appears to be everywhere and sparks are flying.

The U.S. government should keep badgering the Japanese, who seem to need lots of external pressure to overcome internal political inertia. However, less among American triumphalism might be in order.

For example, as suggested earlier, the Japanese need not fix their banking problems in precisely the way we fixed ours. The United States should behave more like a worried companion trying to talk sense into a friend, less like a hangnail scold.

Finally, with the American economy operating at (or indeed beyond) capacity while Asia is in the doldrums and Europe is in only so-so shape, we must expect our already huge trade deficit to grow. Providing a market for weak-sister economies may be the most constructive thing we can do for the world economy right now.

Fortunately, we spendthrift Americans are in an excellent position to do just that. It would be a colossal mistake if the growing trade deficit were to push the United States into protectionism. That's not the way a leader behaves in a dangerous world.

The writer is a professor of economics at Princeton University and former vice chairman of the Federal Reserve Board. He contributed this comment to *The New York Times*.

## Progress on the Nuclear Front

By Alexander Downer

The writer is Australia's foreign minister.

CANBERRA — The recent nuclear weapons tests in India and Pakistan caused a level of international outrage that has injected new vigor into the nuclear debate.

The outrage was a catalyst for a historic decision on Aug. 11 by the Conference on Disarmament in Geneva to move a step closer to a treaty banning production of fissile material, the essential ingredient for nuclear weapons.

The conference established an ad hoc committee to negotiate a fissile material cutoff treaty that would ban production of fissile material, such as plutonium and highly enriched uranium.

The Aug. 11 decision is a strong endorsement by the conference participants — including, for the first time, those states that are not members of the Nuclear Nonproliferation Treaty — of the principles and objectives of halting the spread of nuclear weapons and bringing about nuclear disarmament.

The decision is a strong validation by the international community of the nonproliferation and disarmament norms that were challenged by the South Asian tests.

The decision is a significant sign of the changes that those tests have caused on the nuclear arms control landscape. The move to negotiate a fissile material cutoff treaty was an

incremental yet important step, because steady progress is the most effective way to reach the ultimate goal of eliminating nuclear weapons.

The decision ends almost two years of inaction by the Conference on Disarmament following the conclusion of negotiations on the Comprehensive Test Ban Treaty in August 1996. Resumption of substantive talks will halt the erosion of the institution's credibility caused by this inaction.

It will also strengthen the conference's relevance as the key negotiating forum for addressing arms control issues vital to international and regional security interests.

A cutoff treaty has the potential to deliver significant benefits by helping build a global environment conducive to the elimination of nuclear weapons. The process of reducing nuclear arsenals can have meaning only if we can be assured that there is no parallel buildup of weapons-usable material.

Such a treaty will help the nuclear-weapon states to take further steps toward dismantling their nuclear arsenals by creating greater transparency and confidence about the ca-

pabilities and intentions of other fissile material producers.

Adherence by the nuclear-weapon states to a cutoff treaty will provide further concrete evidence of their willingness to fulfill their obligation under Article VI of the nonproliferation treaty to pursue negotiations to end the nuclear arms race.

A cutoff treaty with universal membership would be a central and indispensable element in any verification regime for a world free of nuclear weapons.

Moreover, such a treaty would be a valuable security and confidence-building measure in regions of tension, such as the Middle East and South Asia, where some states have not been prepared to join the international nuclear nonproliferation and disarmament regime. A cutoff treaty would help to ease tensions in these regions and reduce the potential for nuclear arms races.

It is worth recalling that India's first prime minister, Jawaharlal Nehru, proposed a fissile material cutoff treaty in 1954. Now the Indian and Pakistani nuclear tests in May have reignited the political forces that had blocked such a treaty since 1995.

Today the way is clear for the world to endorse such a treaty. It is an opportunity that must not be missed.

*International Herald Tribune*

### IN OUR PAGES: 100, 75 AND 50 YEARS AGO

#### 1898: White Rule

PARIS — [The Herald says in an Editorial:] Some of those who voted to let loose our vessels of war on Spanish colonies are insisting that the United States cannot constitutionally govern the colonies unless the inhabitants are put on a political equality with the conquerors. A sufficient answer is that when the colonists framed the Constitution, they excluded Africans and Indians from participation therein. The question of the Tropics for the United States does not so much concern the form of government, as whether white men can live there and till or supervise the tilling of the soil.

#### 1923: German Prices

PARIS — Visitors to Germany are bewildered by the variation in prices. During a tour in the Rhineland, M. Reibel, French Minister of the Liberated Re-

gions, took lunch in the restaurant of the train. The bill came to 1,500,000 marks. On the return, within forty-eight hours, he was served with an identical meal, and the charge was 3,000,000 marks. The Minister is now a convinced supporter of the proposal for a Rhineland currency of constant value.

#### 1948: Anti-Tito Plot

LONDON — Yugoslavia accused Foreign Minister Aml Pankar and other Romanian officials of trying to bring the overthrow of the Yugoslav government. The note said Mr. Pankar "admittedly calls for revolt against the leaders of the Communist party of Yugoslavia." Romania has sided with the Communists in its condemnation of Marshal Tito and other leaders of the Communist party on the ground that they have departed from Marxist-Leninist principles.

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## OPINION/LETTERS

A Question About Clinton:  
Is He Still Able to Govern?

By Thomas L. Friedman

WASHINGTON — For the moment, the whole focus of the debate around Bill Clinton is whether he should be president anymore. But equally important is whether he can be president anymore.

On the issue of *should*, the public is divided, but a substantial majority still feels that Mr. Clinton should remain in office. They may think less of him, but they still think a lot of his agenda. Whether that majority holds up in the face of the sordid details that will come out from the investigation by the independent counsel, Kenneth Starr, is unclear.

What might actually influence the public most is whether Mr. Clinton still can govern in any reasonably effective manner. In this regard, I am struck by the depth of anger among midlevel officials who came into government to work for Mr. Clinton. In recent days I have heard variations of the following sentiments from them:

"I really wanted to forgive the guy and move on. I really wanted to be able to defend him to my friends. But he gave me no ammunition. What he did with Monica said to me that satisfying his own sexual urges was more important than accomplishing his own agenda, because he was obviously ready to risk his whole agenda for that. I know Ken Starr is awful, but I just can't think of the president the same way anymore."

Indeed, it is hard to listen to what your president is saying when you cannot even look him in the eye, and right now there are an awful lot of officials and lawmakers who just cannot look this president in the eye.

It is not that they wanted to see the president cry in his nationwide address. It is not that they wanted to see him beg for mercy. It is that they wanted to see him do everything possible to be able to govern again and pursue something close to the agenda that enlisted their support in the first place.

They wanted him to draw a clear line between how he behaved before and how he intends to behave in the future, even though it may be fanciful to believe that he could ever change. But instead of drawing a line between who he was and who he intends to be, he just underlined his old self — blaming others, never quite apologizing and showing little sign that he recognized his misbehavior had created a problem, not just for his family but also for everyone who served with him and believed in him.

Unless Mr. Clinton can repair that damage, it is going to paralyze his ability to govern, whatever Mr. Starr does.

Look at last week. The U.S. attack on Osama bin Laden was an open-and-shut case. All the official experts agreed that

retaliation was warranted and necessary. Nevertheless, the U.S. retaliation was questioned, at home and abroad, as possibly having been motivated by the president's need for a diversion.

That tells me that even the most necessary things Mr. Clinton will do during the next two years will be challenged as never before.

And it tells me that the voluntary things he chooses to do — the legislation and foreign policy initiatives he puts forward that are not open-and-shut cases but rather his judgment calls, the hard calls — will be that much more difficult to accomplish, with his allies keeping a distance and his opponents more skeptical than ever.

Saddam Hussein has again halted all UN inspections. How would Americans react if tomorrow Mr. Clinton announced that his judgment was that America must now bomb Iraq?

For all those who would prefer to put this affair behind the country because there are simply more important problems to deal with, for all those who



voted for Mr. Clinton because they did not want to see a ban on abortions, or have their public school system gutted by vouchers or distorted by school prayers; for all those who want to see campaign finance reform, education reform and Social Security reform; for all those who care about programs like Head Start and welfare reform; for all those who preferred a philandering Bill Clinton to the second-rate Republican alternatives — for all of them, Bill Clinton needs to do whatever

it takes to prove that he can still be president, if it is not too late.

Because to have Mr. Clinton without any hope for Clintonism, well, that is not a pretty picture. He alone is just not worth the trouble anymore.

His supporters, indeed a majority of Americans, were always ready to overlook the failings in the man because of the virtues of the agenda. But if there is no hope for the agenda, what need is there for the man?

The New York Times

## Put America's National Interest First

By Sam Nunn

ATLANTA — It is now clear that President Bill Clinton is primarily responsible for dragging America through seven months of preoccupation with the Monica Lewinsky story. The national interest required that he correct any false statements and apologize to the nation months ago.

Even for those who accept Mr. Clinton's definition of his behavior as "not appropriate," rather than deplorable, and accept his previous testimony under oath as "legally accurate," not perjury, it must be clear that for the past seven months he has placed his own personal interests far above the national interest.

The result is a weakening of the office of president, a lowering of moral discourse, the exposure of children to a negative role model, increased public cynicism toward elected officials as well as toward the political and judicial process and diversion of national attention from important domestic and international challenges.

Much that happens in the world, for good or for evil, depends on America and its leadership. There are serious dangers in Korea, in Iraq and in the Middle East, in Kosovo, in Bosnia and from terrorist attacks. Even when America is consumed with a presidential scandal, I believe that we will decisively respond to foreign aggressions, as Mr. Clinton demonstrated last week

in the justified U.S. retaliatory attacks on terrorist facilities.

But when the world has the impression that we are inattentive, or when there are deep suspicions and confusion as to the motivations for our actions, conflicts become much more likely.

Just as important, there are now serious economic and political dangers in Asia and in Russia that could adversely affect the United States and the world. They grow more dangerous when the world perceives that our nation is preoccupied, that our leader's credibility is seriously diminished and that Congress and the president are in discord.

Under these circumstances, on matters affecting our national security, it is essential that the maximum degree of unity between the executive and legislative branches be both achieved and perceived by the world. Congress must set aside its partisan strife and exercise responsibility in foreign policy. While the president and executive branch must continue to lead in this area, many issues — including emergency International Monetary Fund aid, fulfilling our international agreements and obligations and consideration of important intelligence reports — dictate that Congress be in a position to offer strong and timely responses to important presidential requests and actions.

During the difficult months ahead, clear congressional lines of responsibility on security and economic policy should be established either by expressed delegation to existing committees or through some new arrangement.

I suggest that the congressional leadership create two separate bipartisan panels — one on economic policy and the other on national security — that would cut across committee and party lines. Their focus should be on the world's danger spots as well as world economic and political events. These two panels should be kept fully informed by the president, the Defense, State and Treasury departments and the National Security Council, while keeping the congressional leadership and their colleagues informed during the long fall recess.

The president, Congress and the country must now answer this key question: Can trust be re-established so that Mr. Clinton can effectively govern? Presidential leadership on both the domestic and international fronts includes but is not limited to energy and intellect, which Mr. Clinton has in abundance.

It also must be based on credibility, moral authority, attention span and trust — trust of the American people, trust of the cabinet and staff, trust of Congress — and the belief by foreign leaders, whether they wish us well or ill, that when the president says something important, he means it and commits America.

There is no painless and safe exit strategy from our current national

Their Real Aim Is to Annoy  
As Many People as Possible

By Jeff Jacoby

BOSTON — Those who believe government is responsible for solving every problem frequently believe as well that the ideal solution is one that irritates the maximum number of people.

To prevent undocumented immigrants from getting jobs, the government requires every employee to supply proof of citizenship and every employer to process the paperwork — even though the vast majority of

get their cars inspected, spending more time undergoing the test, and paying more for the privilege. Why?

Auto emissions tests are supposed to be critical in the fight against air pollution. In fact, they are little more than a revenue scheme for the state and a lucrative perk for service stations.

For the clean little secret of automobile exhaust is that it isn't very dirty. Since the Clean Air Act was passed in 1970, tailpipe emissions of carbon monoxide and hydrocarbons have dropped by a stunning 98 percent. Most cars do not pollute.

Annual inspections catch so few cars violating emissions standards because there are so few to catch: As much as 70 percent of automobile-generated air pollution comes from 10 percent of the cars.

Drivers are being milked. They are forking over billions of dollars to be told, in most cases, that their cars are just fine. Those billions are not promoting pure air or cleansing the environment. They are merely enriching state treasuries and providing income to garages.

If emissions tests were not required by law, they would be shut down for fraud.

Mandatory tailpipe inspections would be bad enough even if there were no better way to catch polluting vehicles. But there is.

At the University of Denver, the research chemists Donald Stedman and Gary Bishop long ago perfected remote-sensing technology that makes it possible to check emissions from cars driving along a highway. Cars moving past a sensor are scanned by an infrared beam that instantly calculates the amount of pollution they are generating.

The arguments in favor of remote sensing are overwhelming. It is fast, accurate and cheaper-proof.

It is also far better for air quality. Under the existing system, a car is free to spew pollution year-round — only when the owner brings it in for testing is he required to get it fixed. With remote sensing, that car will be stopped the first time it passes by.

Indeed, there is only one argument against on-road testing: It leaves most people alone. Which is why goats will fly before the existing system is abandoned. And why Americans will keep paying, year after year, for inspection stickers they don't need.

The Boston Globe

## LETTERS TO THE EDITOR

## For Clinton, Against Starr

William Pfaff's argument ("Clinton Should Take the Honorable Course and Resign," *Opinion*, Aug. 21) that the president's resignation would deprive the pundits of their soapbox, thus allowing them to turn their attention to more weighty matters, does not convince. When has sacrificing a witch ever stopped a witch-hunt?

RICHARD SHEELER,  
Southsea, England.

I voted twice for President Bill Clinton, and I have a constitutional right to see him finish his second term, preferably without hearing anything whatsoever about his private life.

IAN D. PEPPER,  
Berlin.

Anthony Lewis ("A Political Wolf in the Law's Clothing," *Opinion*, Aug. 25) has admirably and succinctly said the most important thing about the Clinton scandal. Politics dressed as law is truly dangerous for the future of the United States.

Are we Americans to allow Mr. Clinton to be unseated by an unelected zealot using taxpayers' money?

ALEXANDRA DRAXLER,  
Paris.

The real villain is Kenneth Starr, whose motives are politics and pure

hatred, with complete disregard for America's interests and reputation.

We could all live in a world populated exclusively by the likes of President Bill Clinton. In fact, we already do — although most of us check our impulses a little better. A world where Mr. Starr's motives are the only forces at work would be scary.

L. BODMER,  
Zollikon, Switzerland.

Observing Kenneth Starr, I cannot help but reflect on how dangerous for world peace is such nihilistic excess.

JOHN FAKIDIS,  
Athens.

If the Republican Congress, currently at odds as to what legislation to generate before the midterm elections, wants to assure Americans of moral representation, it might consider a bill that would require any candidate for a seat in the House or Senate, or for the presidency, to be investigated for moral leadership.

Or let the Republicans' election committee and its financial supporters adopt a new mode of campaigning: Have every candidate make a declaration under oath concerning the most important details of his or her private life. This would guarantee widespread public attention for practically no expense at all.

P.B. WEISZ,  
Saas Fee, Switzerland.

## CROSSWORD

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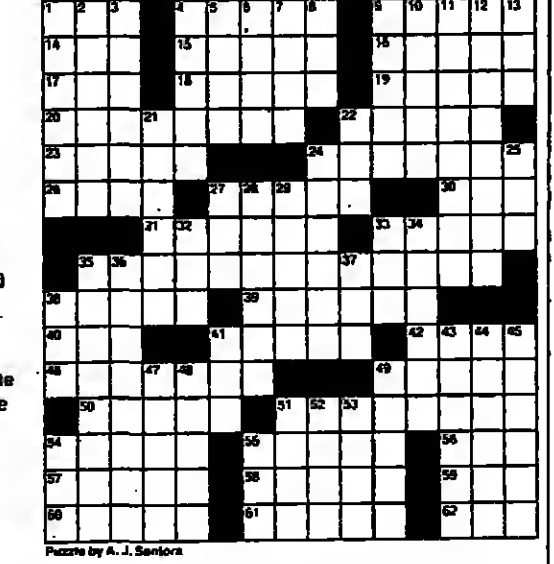
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## INTERNATIONAL

## American Missile Strike Angers a Moderate Sudanese, Too

By Jane Perlez  
New York Times Service

KHARTOUM, Sudan — A normally serene scholar of Islam named Abdulrahman Abuzayd, who believes passionately in the wisdom of his religion and its values, is furious at the United States.

He is no friend of the National Islamic Front's government in Sudan. Indeed, two years ago, it burned his office at the university he led and forced him to step down. He also is unhappy that the government once invited Osama bin Laden, considered a top financier of terrorism by the United States, to take refuge in his homeland.

But sending cruise missiles, he says, is no way to deal with extremists — and no way to deal with a government that the United States says allowed a factory to make a component of nerve gas.

"As a Sudanese I'm mad," Mr. Abuzayd said as he sat on his veranda, which looks over an urban landscape of low-slung, khaki-colored homes, a sun-bleached dusty road and an occasional

wandering goat. "O.K., we have problems with this regime. But we solve them ourselves. Now the Americans have come and given it a big shot in the arm."

He has the same concern about Mr. bin Laden, whose image is now flashed around the world. "The Americans have suddenly created a Muslim hero out of him, whereas last week he was considered a fanatic nut," Mr. Abuzayd said. "Now he is a hero in Saudi Arabia, in Islamabad, in Cairo, in all capitals of the Muslim world."

The United States has made serious mistakes, he said, first by failing to convince the Muslim world that Mr. bin Laden was responsible for the bombings of American embassies in East Africa and then by attacking Afghanistan and Sudan.

"By its strikes in Afghanistan and here, America did not eliminate terrorism," Mr. Abuzayd said. "This is not terrorism — this is a resurgent Muslim world. You don't deal with it with cruise missiles, you discuss it. You don't rub the entire Muslim world's

nose in the dirt and make it kneel." Mr. Abuzayd is upset because he has long articulated an Islam that is tolerant and free of corruption. At Omdurman Ahlia University, a private institution largely financed by the Kuwaiti government, he introduced a wide range of

**'You don't rub the entire Muslim world's nose in the dirt and make it kneel.'**

courses for male and female students and tried to keep the radical influence of the Islamic Front at bay.

After being forced out, he was hired by the UN high commissioner for refugees for an unusual task: to travel as a Muslim scholar among the Taliban in Afghanistan to talk about questions of justice and education.

He believes that most of his countrymen believe in his kind of Islam, too. But now he and others here complain that the unilateral American action will

reinforce anti-Western sentiment in Sudan, which has become increasingly isolated in the last five years.

The U.S. Embassy here closed nearly two years ago, after the United States contended that the Sudanese government had not done enough to close down camps for training terrorists. Many European embassies have scaled back as their governments have cut aid to Sudan.

Before, it was not uncommon to see a European face on the ramshackle streets of the capital. Now it is rare.

Most Western officials concede that the training camps have been closed. Mr. Abuzayd also said he believed that the camps had been shuttered — in part, he said, because the government had established a network of domestic security services and did not feel the need for the extra security that the training camps provided.

The government also acquiesced to demands from the United States and some moderate Arab countries that Mr. bin Laden be expelled in 1996.

Some Western diplomats have said that even though the government persists in fighting a pernicious civil war in the south and does not allow any real pluralist politics, it was a mistake not to reward it for the attempts at change.

For many in Sudan and the rest of the Muslim world, this lack of response, and now the attack on the pharmaceutical plant, contrasts sharply with the American attitude toward Israel, Mr. Abuzayd said.

"It can't help but be compared to what is going on in Israel," he said. "They kick out Arab settlers, uproot their homes and nothing happens. I believe that almost all young Muslims are radicalized by the Israeli behavior."

In the end, Mr. Abuzayd said, he understood that the American strikes in Afghanistan and Sudan were motivated by President Bill Clinton's need to "do something."

But, he added, referring to comments by U.S. Secretary of State Madeleine Albright, "If you have a long arm, as Mrs. Albright says, you go in and get bin Laden."

Abu Nidal,   
Foe of West,   
Is Reported   
Held in CairoBy Robin Wright  
Los Angeles Times Service

WASHINGTON — Abu Nidal, the Palestinian hard-liner whose leadership of a deadly guerrilla network in the 1980s made him one of the West's most wanted enemies, is being detained in Egypt, according to U.S. officials.

Abu Nidal was apparently detained after he crossed the border from Libya, where he has been living for several years. The Egyptian government has informed Washington of his detention, but U.S. officials know few details, the sources said.

A recent report in the Arabic-language newspaper *Sharq al-Awsat*, which is published in London, said that Abu Nidal was gravely ill with cancer in a private hospital in Cairo.

"Abu Nidal" is an assumed name, meaning "Father of the Struggle." His birth name is thought to be Sabri al-Banna.

The detention of Abu Nidal comes just days after a U.S. cruise missile attack on targets in Afghanistan and Sudan allegedly linked to the recent U.S. embassy bombings in Africa. And Secretary of State Madeleine Albright of the United States announced Monday that her country and Britain had agreed to a compromise that would allow two Libyans charged in the 1988 bombing of Pan Am Flight 103 to be tried under Scottish law in a court in The Hague.

"The delays in bringing the suspects to trial have gone on for far too long," she said.

In the wake of the Aug. 7 bombings of the embassies in East Africa, which killed more than 260 people, including 12 Americans, the United States is escalating its efforts to deal with some of its enemies.

In New York, U.S. diplomats asserted to the United Nations Security Council on Monday that a guerrilla network headed by Osama bin Laden, a Saudi exile, had been tied to 18 attacks in recent years. U.S. officials said they believed that Mr. bin Laden was the organizer of the embassy bombings.

Now that it has detained Abu Nidal, Egypt faces the difficulty of deciding what to do with a man accused of organizing attacks in 20 countries that killed or injured almost 900 people.

Abu Nidal is accused of organizing the twin 1983 attacks on the Rome and Vienna airports, the 1986 capture of Pan Am Flight 73 and the killings of several leading figures in the Palestine Liberation Organization.

Abu Nidal split from the PLO in 1974, when it began to explore political routes to securing a Palestinian homeland.

Egypt has publicly denied persistent reports about his detention. U.S. officials say the government of President Hosni Mubarak has privately expressed concern about the potential popular reaction.

Abu Nidal is thought more likely to benefit from sympathy among the Egyptian public since last week's U.S. missile attacks. Islamic Jihad in Egypt is Mr. bin Laden's closest ally.

A U.S. State Department publication, "Patterns of Global Terrorism, 1997," says that Abu Nidal's organization has diminished in size and importance in recent years but still has several hundred members. The group has not targeted Western facilities or personnel since the late 1980s, the publication says.

In the early 1990s, supporters of Abu Nidal clashed with other wings of the Palestinian movement. Abu Nidal is suspected by some intelligence agencies of involvement in the 1991 killing of Abu Iyad, the political heir apparent to Yasser Arafat, the Palestinian leader.

Bin Laden Said to Face   
U.S. Terrorism Charges

Indictment Could Provide Grounds for Capture

By Vernon Loeb  
Washington Post Service

WASHINGTON — A grand jury in New York has handed up a sealed indictment against Osama bin Laden, accusing him of participation in terrorist acts against the United States that preceded his suspected involvement in twin bombings at U.S. embassies in Africa this month, according to U.S. officials.

The officials would only confirm the existence of the indictment, refusing to specify when it was handed up or what alleged crimes it covered. An indictment would provide the grounds for Mr. bin Laden's capture and removal to the United States to stand trial, and could help persuade foreign governments to deny him protection from arrest.

Associates of Mr. bin Laden, the ex-

iled Saudi multimillionaire, have said in recent days that he is in the mountains of Afghanistan following an attack on his training bases last Thursday by the United States. U.S. officials ordered the attack after saying they had amassed "compelling" evidence of Mr. bin Laden's involvement in the embassy bombings and his intent to carry out subsequent attacks against U.S. targets.

Officials typically refrain from commenting on the work of grand juries, particularly when indictments have been ordered sealed by a federal judge. Prosecutors often seek to have indictments sealed when the defendant is a fugitive.

One former high-ranking U.S. counterterrorism official, requesting anonymity, said he had been told by a government source involved in the case that the indictment was handed up in June. The former official said he believed that the indictment was based on a seditious charge similar to that used to convict Sheikh Omar Abdel Rahman, an Egyptian cleric, for inciting others to bomb the World Trade Center in 1993 and for plotting to bomb the United Nations and other New York landmarks. Sheikh Abdel Rahman is now serving a life sentence for his role in the conspiracy.

Judging from the range of accusations against Mr. bin Laden by U.S. officials, the indictment could pertain to a host of alleged crimes. Mr. bin Laden is suspected in numerous attacks against Americans and has claimed a hand in killing U.S. servicemen in Somalia during Operation Restore Hope in 1993 and attempting to bomb U.S. troops in Yemen in late 1992.

The New York grand jury is reported to have gathered evidence last year in an attempt to show that Mr. bin Laden had been funneling funds from the Middle East to groups in several U.S. cities.

Kenneth Katzman, a senior Middle East analyst and terrorism expert at the Congressional Research Service, has said that the grand jury had been reviewing evidence earlier this year that tied Mr. bin Laden to a 1995 bombing at the Saudi National Guard headquarters in Riyadh that killed five U.S. servicemen.

In February, Mr. bin Laden and other members of a coalition called the International Islamic Front for Jihad Against the Jews and Crusaders urged Muslims everywhere to kill Americans all over the world "in accordance with the words of Almighty God."

"The ruling to kill the Americans and their allies — civilian and military — is an individual duty for every Muslim who can do it in any country in which it is possible to do it," the edict says, adding that the goal is for U.S. "armies to move out of all the lands of Islam, defeated and unable to threaten any Muslim."

At the time the edict was issued, the Counterterrorism Center of the Central Intelligence Agency said it was the first instance in which Mr. bin Laden had broadened his threats to include U.S. civilians.

## ■ Plot Against Clinton

Mr. bin Laden directed his followers at least twice to kill President Bill Clinton, but neither attempt was ever made. The Associated Press reported Tuesday, citing several newspaper reports.

The first assassination attempt was to take place when Mr. Clinton visited the Philippines to begin a trip to Asia on Nov. 12, 1994, but it was abandoned because of heavy security. Newsday reported, citing counterterrorism and intelligence sources, Ramzi Yousef, later convicted in the 1993 World Trade Center bombing, was to have been the hit man, the New York Post reported.

Mr. Yousef told FBI agents he planned to use missiles or explosives while Mr. Clinton was in a motorcade, Newsday said. The Post said a chemical attack was also considered.

A second attempt was apparently planned for Pakistan in February, when Mr. Clinton scheduled — but later canceled — a visit.

Mr. Yousef admitted his plan to kill Mr. Clinton to FBI agents who were escorting him from Pakistan to New York in 1995 for his trial in the bombing, the sources said. He did not identify Mr. bin Laden as the mastermind, the sources said.

But one of his co-defendants, Wali Khan Amin Shah, once a top aide to Mr. bin Laden, told authorities in New York recently that the order to assassinate Mr. Clinton had come from Mr. bin Laden, unidentified U.S. officials said.



A Pakistani policeman guarding a street in Karachi. Middle-class Pakistanis voice concern about militant Islamic fundamentalists harnessing public anger in the wake of U.S. missile strikes and economic sanctions.

## PAKISTAN: Militants Seize on Instability

Continued from Page 1

Maqvi, head of research for International Asset Management Co. in Karachi, the country's largest city. "If conditions continue to deteriorate, the moderate elements in our society will be increasingly marginalized, and it will be all too easy for the fanatics to rear their heads."

As middle-class Pakistanis feel the squeeze, more people are calling for extreme measures to deal with the country's economic woes. Some worry that the military, which has stepped into civilian affairs often in the nation's 51-year history, will feel tempted to do so again. Ultra-orthodox religious parties have begun demanding an end to the Sharif government and a repudiation of Pakistan's foreign debt.

Jamaat-ul-Islami, a fundamentalist party that boasts 4 million members, announced this month that it was launch-

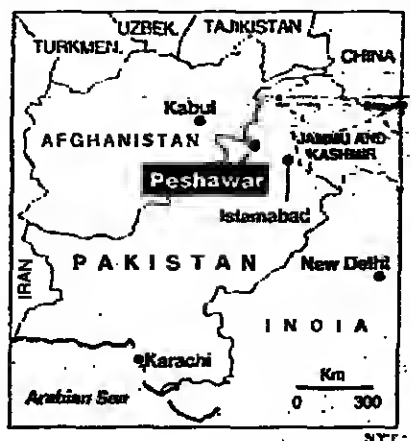
ing a campaign to oust the Sharif government. Jamaat-ul-Ulema, another religious party, has joined in.

"All the political forces are united against the government," said Hafiz Hussain Ahmed, vice president of Jamaat-ul-Ulema. "We will make a revolution."

The U.S. missile strikes last week have sparked a torrent of anti-American rage — and widespread accusations that the Sharif government cooperated with the United States in launching the attacks. At demonstrations throughout Pakistan, marchers have denounced President Bill Clinton and Mr. Sharif with equal fervor.

"Sharif is a slave of the United States," Mohammed Arslan, a businessman, said last week at a protest march in Islamabad. "Anything U.S. wants, Sharif does."

In addition, the recent run of victories



## Setback for Virus Researchers in Arctic

The Associated Press

OSLO — Scientists seeking to recover samples of one of the world's deadliest viruses from frozen bodies in an Arctic graveyard uncovered seven bodies Tuesday that were too decayed to be useful.

It was not clear whether the bodies were those of the seven victims of the Spanish flu believed to have been buried in the permafrost of the Svalbard Archipelago of Norway.

The team hopes that finding frozen remnants of the virus could help them figure out its genetic profile, thereby potentially suggesting ways to develop vaccines against other killer flus.

The Spanish flu killed an estimated 20

million to 40 million people worldwide in 1918 and 1919.

The search for the virus led investigators to the graveyard, where seven flu victims were buried. But the diggers came across coffins at a much shallower depth than expected.

Tom Bergan, the Norwegian coordinator of the team, said several of the coffins had broken lids and contained human bones but no tissue from which samples could be taken.

Ground-radar probes had indicated that the graveyard could contain more bodies than those of the seven coal miners whose names are given on markers. Mr. Bergan said the team would continue to dig.

## VX: Iraqi Scientists Helped Produce Nerve Gas at Chemical Plant in Sudan, U.S. Says

Continued from Page 1

tory to the production of VX as compelling and even irrefutable, though until Monday the administration refused to discuss the evidence in any but the most general way.

The officials, who spoke on condition of anonymity, said the soil sample, collected outside the factory, contained traces of a "precursor chemical" called ethyl methylphosphonothioate, or EMPTA. There would be no viable explanation for the presence of that chemical, they said, other than the production of VX.

"You don't obtain this chemical because you're making ballpoint pens or whatever," an administration official said. "If you're making this, you're making VX."

VX is an odorless, colorless liquid that can kill with remarkable speed. A mere drop on the skin or inhaled in the lungs is enough to kill an adult within minutes. There are a number of ways to make the agent, but the officials in Washington and other American and foreign officials said the technique using EMPTA is one that Iraq used to develop its own VX stockpiles in the 1980s.

Officials in Washington and at the

United Nations said there were a number of other factors linking Iraq to the pharmaceutical plant, as well as a second facility.

Earlier this year, President Saddam Hussein's government asked the committee that monitors UN sanctions to allow it to buy medicines from the factory under the "oil for food" program that allows humanitarian supplies into Iraq.

Antonio Monteiro, Portugal's representative to the United Nations and this month's president of the sanctions committee, confirmed the request, but the officials said it was not clear what medicines were ordered or whether any were delivered.

Although the United Nations closely monitors goods purchased under the "oil for food" program, the officials said the contract could have provided a pretext for extensive visits by Iraqi officials.

A senior intelligence official said that a leader of Iraq's chemical weapons program, Enad Ani, had close ties with senior Sudanese officials at the factory. The official said a number of Iraqi scientists working for Mr. Ani had attended the grand opening of the factory two years ago.

Although the United States struck at the Shifa plant, officials in Washington

acknowledged that the second plant is also suspected of making chemical weapons. That site, according to diplomats in New York and Sudan, has been frequently visited by Iraqi technicians and was more heavily guarded than Shifa Pharmaceutical.

But it also is in a residential neighborhood, and officials familiar with planning for the cruise missile strikes said the fear of collateral damage was a factor in choosing a target.

Although the administration offered details about its evidence, there were still unanswered questions. The soil sample, which presumably measured either a spill or airborne particles, did not prove that the attacked factory was the pharmaceutical plant that produced the precursor chemical, EMPTA.

"It's conceivable they were only storing EMPTA there, or it was just passing through there," the senior intelligence official said. "You could spin several scenarios."

While the administration maintains that the evidence of VX production is clear, the links between the factory and Osama bin Laden, the Saudi exile whose network of terrorists was the target of last week's strike, is circuitous.

The officials said Mr. bin Laden had no

direct investment in the pharmaceutical plant, but had financial ties to Sudan's state-run military-industrial complex. They said that fact and Mr. bin Laden's suspected interest in obtaining chemical weapons were enough to warrant destroying the factory, along with a paramilitary training camp in Afghanistan.

"When you put all that together," the senior intelligence official said of the factory, "it all adds up to a source of real concern."

As administration officials laid out their case, new details emerged of the strike itself. A senior Pentagon official said on Monday that the cruise missiles that landed in Afghanistan heavily damaged or destroyed virtually every "soft" target at the sprawling mountain training camp, including barracks, communications equipment and arms stockpiles.

Officials at the Pentagon also confirmed that the deputy chairman of the Joint Chiefs of Staff, General Joseph Ralston, traveled to Pakistan before the strikes so he could be with Pakistani military leaders at the time of the attack.

The reason for the visit, which was first reported on Monday in *The Wall Street Journal*, was to reassure Pakistan that the barrage of incoming missiles was not an attack by its arch-enemy, India.



# Black Tie Required: Venice Gets Glitzy for Film Festival

By Roderick Conway Morris  
International Herald Tribune

VENICE — The principal cosmetic innovation, or perhaps retrogression, of this year's Venice Film Festival, which runs from Sept. 3 to Sept. 13, is the reintroduction after 20 years of the black-tie rule for the inauguration and the prize-giving ceremonies.

The reimposition of *le smoking*, as the dinner jacket is known in Italian, is apparently the bright idea of the backroom boys of the Venice Biennale, which also runs the film festival, rather than that of the arty, bearded and habitually casually dressed Felice Laudadio, in his second year as artistic director.

In an additional attempt to add glitz to the occasion, the organizers are to concentrate presentations, press conferences and so on, at the Excelsior Hotel, the Lido's Rudolph Valentino-esque architectural extravaganza, with its Moorish domes, minarets, courtyards, fountains and hall of mirrors. The festival was to have been opened by Sophia Loren, who is to receive a Golden Lion for lifetime achievement (along with the Polish director Andrzej Wajda). Since Loren has been taken ill in the United States, the prize will be collected by her husband, Carlo Ponti, and her sons.

Proceedings will be closed by Maria Grazia Cucinotta, who won international fame in Michael Radford's Oscar-winning *"Il Postino"* and whose voluptuous Mediterranean looks have led admirers to describe her as "the new Loren."

A screening of "Saving Private Ryan" will initiate the proceedings, with Steven Spielberg and Tom Hanks in attendance. The prospect of the arrival of the 80-person Spielberg circus, however, has strained already booked-up hotels. With 200 and more celebrities and followers yet to find a bed, Laudadio has

proposed accommodating them on a chartered cruise ship moored in the lagoon. Meanwhile, Venice's licensed water-taxi drivers are threatening to go on strike for the duration of the event to protest a plan to legitimize the legion of pirate operators, who have already menaced the festival with disruption if their demands are not met.

Also to receive world premieres in the out-of-competition category are James Ivory's *"A Soldier's Daughter Never Cries"*, the Indian director Shekhar Kapur's costume drama of the Virgin Queen *"Elizabeth"*; Claude Lelouch's *"Hasards ou Coïncidences"*, and Woody Allen's *"Celebrity"*.

Venice's forces of law and order were no doubt relieved to learn that Leonardo DiCaprio, who has a cameo role in the latter film, was not invited, and that the teenyboppers will have to make do with a glimpse of Kenneth Branagh and the director himself.

Of a duo of Italian films in this section perhaps the most eagerly awaited is "Incontrì Proibiti" (Forbidden Meetings), directed by and starring the veteran Alberto Sordi with the blonde Italian starlet Valeria Marini. Bigas Luna's heartless overexposure of Marini's physical amplitude and acting shortcomings in "Bambola" caused a near riot at its premiere here a couple of years ago — a reputation of which the soberly dressed Sordi will be hoping to avoid.

Closing the event will be the German director Doris Dörrie's *"Bin Ich Schön?"* (Am I Beautiful?), whose title suggests some progress in the self-esteem stakes, seeing that her last film was *"Nobody Loves Me."*

The in-competition lineup also promises to bring a fair crop of stars to the Lido. Among them will be Catherine Deneuve, who is in Nicole Garcia's *"Place Vendôme"*; Emmanuelle Béart,

in *"Voleur de Vie"* (Stolen Life); Meryl Streep, in the Irish film *"Dancing at Lughnasa"*; and Warren Beatty, writer, director and star of *"Bulworth."* Of the 19 in-competition productions, four are from the United States and three each from Italy and France. Argentina, Britain, Germany, Iran, Ireland, Portugal, Romania, Spain and Yugoslavia are represented by one each.

FILMS from Asia, having enjoyed several years of prominence here — Takeshi Kitano's *"Hana-Bi"* (Fireworks) won last year's Golden Lion — are striking by their absence from the competition.

One of the few Asian offerings to appear in any section is Shinya Tsukamoto's *"Bullet Ballet"*, billed as "a battle between the mutants of the first generation and the mutants of the second generation."

Even this sounds relatively conven-

tional in the face of the Russian Alexander Bashirov's *"The Iron Heel of the Oligarchy,"* described as a musical comedy inspired by Karl Marx's *"Das Kapital."* Could this be it, at last: *"Das Kapital — The Musical"*?

Once again in the "Nights and Stars" section Venice will be serving as a European launching pad for a number of other American productions: including Peter Weir's *"The Truman Show,"* Andrew Davis's *"A Perfect Murder"* (starring Michael Douglas and Gwyneth Paltrow), Spike Lee's *"He Got Game"* (with Denzel Washington in the lead) and Boh Rafelson's *"Poodle Springs,"* scripted by Tom Stoppard from Raymond Chandler's unfinished novel, with James Caan as the private detective Philip Marlowe.

But also to be premiered here will be Canadian, French and Italian films, such as the French director Roger Planchon's *Belle Époque* bio-pic "Lautrec."

## A Jazz Role Model Accentuates the Positive

By Mike Zwerin  
International Herald Tribune

MARCIAC, France — It's risky to conclude that Davey Yarbrough is for real. Still, the more you learn about him the more you are sure. To begin with, his positive eye contact and body language and artless tone of voice are above and beyond good acting.

Yarbrough, 45, is the founder and director of the Jazz Studies Program at the Duke Ellington School of the Arts, a multidisciplinary high school in Washington. It is divided into programs such as music, visual arts, media and dance, and each of its 500 students has passed an audition. This month, the school's jazz band the New Washingtonians, Yarbrough directing, performed at the Marciac Festival in the department of the Gers, southwestern France. One of many vivid images:

Backstage. Surrounded by his shy young charges literally leaning on him, Yarbrough was squeezing into dressing rooms to introduce them to Randy Brecker and Roy Hargrove and other big-name players who were also on the bill that night. It was apparent that he did not know them all that well himself. Looking like a groupie is embarrassing, but "the kids come first."

Parents served as chaperones. They were volunteers, although Yarbrough said: "Sometimes I volunteer" them.

One of the mothers is a nurse; a couple of the kids have allergies.

When the band recently played the Montreux festival in Switzerland, the pianist Nicholas Mack was in a car accident that left him in a coma and possibly with brain damage. It was feared that he might never walk or talk again. Yarbrough brought cassette tapes with music Mack liked to the hospital and, as Marcia Slacum Greene wrote in a front page feature on him in *The Washington Post* in May, he "worked his way around bandages and tubes" to slide earphones on the unconscious patient. It was only clear that Mack would pull through when he began tapping his fingers.

The French ambassador in Washington plays the guitar. He'd visited the school. He and Yarbrough have an acquaintance in common — the trumpet star and Pulitzer Prize-winning composer Wynton Marsalis, who had also visited the school. The ambassador was aware that Marsalis had fallen in love with the warm hospitality and healthy quality of life in Marciac. He conducts workshops and performs here just about every year. And the ambassador knew how important the festival is to the tourist economy of the Gers. At his request, Marsalis played a benefit at the French Embassy to raise funds to transport the Ellington School's band to this year's festival.

Yarbrough looked genuinely amazed as he said: "It's amazing, Wynton always accepts my calls." He is in

the process of mastering the art of applying for subsidies and stipends. Since the feature in the *Post* in May, both "60 Minutes" and Reader's Digest have asked Yarbrough for interviews. The benefit was a success.

He gets to the school as early as 7:30 A.M. and leaves at 5. He performs and composes in addition to his teaching career. For awhile he played for a musical comedy in the early evening and in a club later on. You heard his saxophone on "The Cosby Show." He released his third CD, "Love Tunes" (Swing Records). There was no time for his wife and daughter.

WHEN he compares his schedule with Marsalis's, however, he stops feeling sorry for himself. Marsalis is the director of the Lincoln Center jazz program, he puts out album after album, composes, travels to conduct orchestras and master classes, and is active in many media projects.

Yarbrough's "cosmic Wynton story" involves trying to find a basketball court after midnight. Marsalis had arranged to admit some Ellington School students to one of his concerts. When it was over, he asked them if they wanted to play basketball, but they could not find an open court at that hour. They dropped Marsalis at his hotel at 4 A.M., and he said: "What we're going to do is get up early in the morning and play then."

Yarbrough said: "Wynton spent his entire day with those kids. He changed his whole schedule. How can he do it? He really frustrates his business people who have to make sure he keeps his commitments. His manager was looking nervously at his watch all day long."

Controversy is forever swirling around Marsalis. The takes tend to be extreme and stereotyped — whites don't trust him, blacks adore him. He is respected. His astounding musicality on all levels makes people jealous.

In Marciac, it is all somehow inside out. He is open and generous with the students in the Marciac high school jazz program, and although they are French, they adore him too. But the main point is this: If Davey Yarbrough believes that Wynton Marsalis is a positive role model, then you tend to believe it too.

Yarbrough was having trouble catching his breath after a long day, a concert and talking for an hour. There had been little sleep and a string of difficult decisions. On the question of whether or not to eat duck, Yarbrough, a vegetarian, left it up to the students. "Do you want to experience something new?" he asked them.

His five brothers and sisters all went to college like he did. His father was a cab driver. "My father set an example. He told me, 'If you have a family, you take care of it. I have a family. Plus these kids inspire me. I feel blessed. I'm doing what I was born to do.'"



For Davey Yarbrough, teacher and musician, "the kids come first."



James Kennedy, as Tarry Flynn, and Pauline Flanagan in an adaptation of Patrick Kavanagh's drama.

## Another Gem in Irish Drama

By Sheridan Morley  
International Herald Tribune

LONDON — Into the National Theatre, only until the end of this week, from the Abbey in Dublin has come what seems to me quite clearly the production of the year. Even in as rich a time as this for new Irish drama, this utterly amazing and joyous rediscovery of Patrick Kavanagh and his early biography of a recalcitrant youth in the County Cavan of the middle 1930s stands out as nothing less than the "Peer Gynt" of its own time and place.

Comal Morrison's adaptation and production of "Tarry Flynn" starts out, thanks to the dazzling choreography of David Bolger, with a small, backwoods community stamping its feet into the unforgiving earth — and if that sounds a lot like the opening of "Martin Guerre," well, it is, though not for any copycat reason.

Two productions, starting nearly simultaneously, have simply hit upon the same metaphor for a village tale in which the earth is really all there is between the life and death of its occupants. From there, "Tarry Flynn" heads off into an altogether different direction. Those of us seeking signposts in an unfamiliar terrain will find "Billy Liar" and "Lark Rise to Candleford" and especially "Under Milkwood" of some assistance, but none of them even together adds up to the unique experience offered here.

Tarry himself is a likely lad on the make, and eventually on the run from a

stifling community. Part Peter Pan, part Puck and part devil, he is an unlikely hero in that there is nothing essentially lovable or even likable about him despite James Kennedy's mesmerizing performance, the best by a newcomer that I can recently recall.

Around him, a cast of 30 Abbey stalwarts led by Pauline Flanagan as his equally unforgiving mother — and again, the echoes of Aase in "Peer Gynt" are at their strongest when these two are together — play out the various villagers, hostile neighbors, girlfriends, mad priests and daughters of this lost community, though in one sense you could argue that a nearly three-hour play is only really about Tarry plucking up courage to quit for the big city, a courage he only finds through the last-minute intervention of a long-lost and equally wayward uncle.

"Tarry Flynn" is in no sense a tidy play, but its central theme, that of a raggedy man who will never accept his place in the world, nor that where he is born has to be where he is to die, has the haunting quality of a half-finished landscape, or of somewhere only half-remembered in a dream.

Tarry is never a hero even in the sense of Billy Liar. He's a dour, vengeful, repressed and angry spirit who will probably come to no more good in the big city than he ever has in his native village. And yet there's just enough of a spark in him, just enough of the possibility of redemption through love, to make us care and hope for the best for him.

As for the music of the old Broadway, nobody does it better than Jerry Herman.

His own recent anthology may have died a speedy New York death but across the last 30 years, from "Hello Dolly" through "Mane" and "Mack and Mabel" to "La Cage aux Folles," he has been the most assured show-songwriter of all those anthems for large ladies on even larger staircases — from Merman to Channing to Angela Lansbury.

So now, at the tiny Bridewell, we get around 60 of those showstoppers in "The Best of Times." Sure, there are problems, not least a singing American pianist who could have given Liberace a lesson or two in schmaltz, and some choreography dating from ocean-liner concerts of the early 1950s. There's also a woefully uncharismatic cast, in which only Garth Bardsley and Melanie Marshall stand out as the stars they are one day going to be.

But those Herman songs remain just wonderful. It is Herman who still writes all the songs we really need when we are down-and-out, songs with a kind of resilient optimism and simple courage now hopelessly out of fashion and favor.

No musician since Irving Berlin has given the world so much to sing about from an all-American viewpoint. This is what musicals were made to sound like before they got melancholia.

### AMERICAN DREAMS

By John Jakes. 495 pages.  
\$24.95. Dutton.

Reviewed by Carolyn See

THERE is no end to these books. When he's dead John Jakes will be sending them to us from the cemetery and they'll be all about the people in cemeteries, how they're related to one another and what kind of coffin they could afford, and whether they managed to be buried on a hill, and who originally acquired that hill back when the town was just a settlement, and also about the people who chose to be cremated, including quirky Aunt Lila who bought her own marble urn before she even died, and where that marble came from and who went into the marble-carving business — they would be the Roman Catholics, who have a cemetery of their own, over on the other side of town. And the plot would include as well a stony-faced patriarch who made his fortune in cemetery plots and a flock of rebellious sons and daughters who turn up their noses at the funeral business.

But what's not to like? The prose style is leaden, but so

was Theodore Dreiser's. These John Jakes books are history lessons, full of names, dates, fashions, things to eat, tour boats, afternoon excursions, gaslights, coal lamps and extra-bright electric chandeliers. People are always getting into carriages, getting out of carriages, getting into cars and getting out of cars — it's very soothing, and you soon have the hazy illusion that you might be learning something.

"American Dreams" is the second volume of the Crown Family Chronicles, so we're already a little bit past the German American patriarch who made his Midwestern fortune in beer. We're up to an older brother who dabbled in socialism back in Volume 1, got involved in some strike-breaking violence and now lives as a semi-invalid. The other siblings are far more interesting — Carl, who hates the beer business and becomes a race driver only to switch his interest to planes, and Fritz, an angular girl who defies her father and goes to New York to be a stage actress, and then switches her interest to the movies.

Across the Atlantic there's

a stick-figure cousin, Paul, who takes pictures of every historical event the author can think of between 1906 and 1916. This would take care of everything that doesn't fall under the heading of cars, planes, the stage and movies — things like the Mexican Revolution and extensive parts of World War I.

Fritz is the closest thing to a human character here. Jakes is wise not to create her as a standard beautiful blonde: She's already 26 when the action starts, and not getting any younger. She's flat-chested (enhancing her meager endowments with a couple of "gay deceivers") and nearly starves in New York for several years as a mediocre actress. Her idol is Ellen Terry and any thought of making movies is abhorrent to her. Jakes is wise as well in focusing, during these early years, first on the East and then on the West Coast, when the movie business was all about cameras and who owned them, as well as bad weather, and why those cameras might not work. Actors roamed the streets of New York, and the wilderness of New Jersey, putting together the most primitive stories, with no idea at all that they might be involved in anything like "art."

Meanwhile, of course, over on the other side of the novel, brother Carl has conversations with many automakers, and only Henry Ford has the idea that "ordinary people" might ever be able to afford cars.

The function of these characters is to live through things. Carl goes to work for Barney Oldfield and we get to see how itinerant hands of car racers wandered through the country staging contests, at which, for instance, Oldfield bettered his speed record each

time. Cousin Paul takes a walk through the Sonoran Desert and meets up with Pancho Villa, who gives him a few words on the Mexican Revolution. Once out in Hollywood, Fritz, who has become an accomplished comedienne, takes a nice ride out into the San Fernando Valley and for an afternoon watches D.W. Griffith making "Birth of a Nation" using 500 extras who get \$2 a day and a box lunch for their efforts.

So, what's not to like? I guess only that thing you see in newsmagazines sometimes: If what they're talking about is far away, you believe it — the floor plan of Henry Ford's original factory sounded right as rain to me, but then the action switches to California, where Fritz rents a room from a Chinese landlord (except that Chinese couldn't own land at that time), finds a vase of California poppies waiting for her (except that the whole world knows poppies don't hold up as cut flowers more than 10 minutes), and brother Carl hikes from Los Angeles to Riverside and gets there in a couple of hours, when you'd be lucky to make that time on the freeway in a car.

What if the whole novel is like that? What if car-guys find millions of mistakes about cars, and brewers say, "Wait a minute, this isn't the way we made beer!" It probably doesn't matter. Truth becomes fiction the minute we live it and begin to shade it with our individual memories anyway. This may be just an anodyne approximation, full of a zillion tiny facts and artifacts, amiable, anesthetized, numb.

Carolyn See reviews books regularly for *The Washington Post*.

### BEST SELLERS

The New York Times		
This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on the list are not necessarily consecutive.		
FICTION		
Rank	Title	Weeks on list
1	RAINBOW SIX, by Tom Clancy	1
2	POINT OF ORIGIN, by Patricia Cornwell	1
3	I KNOW THIS MUCH IS TRUE, by Wally Lamb	2
4	SUMMER SISTERS, by Judy Blume	3
5	THE FIRST EAGLE, by Tom Hiddleston	2
6	MESSAGE IN A BOTTLE, by Nicholas Sparks	4
7	MURDER DIARY, by Helen Fielding	5
8	A NIGHT WITHOUT ARMOR, by Lewis Klidner	7
9	MEMOIRS OF A GENTLEMAN, by Arthur Golden	9
10	A WIDOW FOR ONE YEAR, by John Irving	12
11	THE ALONE AND I, by David Shields	6
12	COLD MOUNTAIN, by Charles Francis Johnson	11
13	LOW COUNTRY, by Anne Rivers	10
14	QUITE A YEAR FOR RABBIT, by Robert Delaney	3
15	COAST ROAD, by Barbara Delaney	13
NONFICTION		
1	TUESDAYS WITH MORRIE, by Mitch Albom	1
2	A PIRATE LOOKS AT FIFTY, by Bruce Ballew	2
3	A WALK IN THE WOODS, by Bill Bryson	3
4	ANGELA'S ASHES, by Frank McCourt	4
5	THE MILLIONAIRE NEXT DOOR, by Thomas J. Stanley and William O. Danko	5
6	A MONK SWIMMING, by Moby McCourt	6
7	CITIZEN SOLDIER, by Stephen E. Ambrose	10
8	TYTAN, by Ron Chernow	9
9	WE ARE OUR MOTHERS' DAUGHTERS, by Cokie Roberts	8
10	THE GIFT OF THE JEWS, by Thomas Cahill	7
11	CONVERSATIONS WITH GOD, Book 1, by Neale Donald Walsch	11
12	SHIP OF GOLD IN THE DEEP BLUE SEA, by Gary Kinder	12
13	MIDNIGHT IN THE GARDEN OF GOOD AND EVIL, by John Bernhardt	13
14	PHILISTINES AT THE HEDGEWICK, by Steven Gaines	15
15	THE MAN WHO LISTENS TO HORSES, by Mary Roberts	14
ADVICE, HOW-TO AND MISCELLANEOUS		
1	SUGAR BUSTERS, by H. Leighton Stewart et al.	1
2	THE 8 STEPS TO FINANCIAL FREEDOM, by Suzanne Orman	5
3	THE MEANTIME, by Joselyn Vancini	2
4	MEN ARE FROM MARS, WOMEN ARE FROM VENUS, by John Gray	231

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## A Brand for the Ages

Descendant Builds a Business on Confucius

By John Pomfret  
Washington Post Service

QUFU, China — At 80, Kong Demao does not look like the chairman of the board of three Chinese liquor companies and a travel agency. The soft-spoken, Chinese grandmother, who has decorated her Beijing apartment with teddy bears and plastic flowers, admits to being ignorant of the ways of commerce, profit and loss.

But Miss Kong has something that every business seems to want these days in China, where a weakening economy and competition among thousands of companies has driven prices down and many businesses to the brink of bankruptcy. Miss Kong has a name. And what a name it is.

Miss Kong is one of two surviving members of the 77th generation of the family of Confucius, the great Chinese sage. Since the early 1990s, she has been the nominal chairman of three distilleries in the Qufu region, the ancestral home of Confucius, who is believed to have lived from about 551 to 479 B.C.

Until 1993, the businesses were competing against each other despite

all being nominally led by Miss Kong. Two of the companies merged recently and have ganged up against the third.

Miss Kong's leadership of the companies, and their use of Confucius's name in advertisements and on brand names, underscores just how far China has come in embracing cash and kitsch over culture since economic reforms began 20 years ago.

It also illustrates the remarkable way in which China's relationship with its greatest scholar has changed since the Cultural Revolution, during which Miss Kong was sent to a labor camp for 10 years simply for having the wrong surname.

While the Chinese have never considered Confucius a god, his place in the pantheon of Chinese philosophers is unrivaled. He bequeathed to China a system of ethical precepts for the proper management of society.

"Right now everyone in China is supposed to study Deng Xiaoping's thought," said Qin Zhenxin, the factory director at Confucius Family Group, one of the three liquor companies headed by the elderly Miss Kong.

See CONFUCIUS, Page 15



Kong Demao, one of two surviving members of the 77th generation of descendants of Confucius, has parlayed the name into a brand.

## Korea Still in 'Shock'

### Despite IMF Bailout

#### A Vicious Cycle: Fewer Jobs and Fewer Exports

By Don Kirk  
International Herald Tribune

SEOUL — The number of unemployed South Korean workers shot up to a 32-year high of 1,651,000, or 7.6 percent of the total work force, in July while exports and imports fell, according to statistics released Tuesday.

The parallel between rising unemployment and declining exports alarmed experts, who saw the economy on a steady decline despite a rescue package of nearly \$60 billion pieced together by the International Monetary Fund in December.

"Korean enterprises are in deep recession, so the bankrupt enterprises have generated unemployment while exports are going down," said Choi Chang Jip, the chairman of the presidential commission on policy planning. "Most of the Korean economy cannot escape from this kind of shock."

Korea grossed \$10.16 billion from exports in July, compared with \$11.8 billion a year earlier, the Ministry of Foreign Affairs and Trade said Tuesday. Imports plunged to \$7.09 billion from \$12.64 billion a year earlier. On July 1, the government lowered its forecast of exports for the year to \$143 billion from \$147.5 billion.

Mr. Choi predicted that total unemployment would rise to 2 million, or 9 percent of the work force, by December as the economy descends to its lowest level since what Koreans call the "IMF crisis" broke last November, when companies realized they could not repay their loans.

The Korea Development Institute, a government think tank, estimates that the economy is likely to contract by 4.2 percent this year.

The government is to release its first estimate of second-quarter gross domestic product on Friday. The Posco Research Institute predicted that the GDP figure would show contraction at an annualized rate of 6.6 percent. Bloomberg News reported.

"That's catastrophic," an executive of the research institute, who asked not to be named, told Bloomberg.

The latest unemployment statistics, revealed by Labor Minister Lee Ki Ho, showed that the number of Koreans out

of work by the end of July had increased by 122,000 from the end of June, when 7 percent of the work force was jobless. It was the largest jump in a single month since March, when unemployment rose from 1,235,000 to 1,378,000, or 6.5 percent of the work force.

Mr. Lee said the unemployment figures did not include nearly 1.5 million people who were either underemployed or so discouraged that they had given up looking for work. He agreed with estimates of labor leaders that about 3 million members of the work force were either jobless or employed less than 18 hours a week.

"The social safety net is not sufficient," he said, observing that only about 50 percent of regular wage-earners were eligible for benefits, which lasted for only two to six months. The social welfare program at this stage does not cover day laborers, a major segment of those in need.

He said, however, that the settlement of a strike by Hyundai Motor Co. workers on Monday marked "the very first use of layoffs" and predicted that other companies could now dismiss unneeded workers by early retirements and layoffs without risking prolonged strikes.

"Consumer sentiment is frozen because of the uncertainty," Yun Hang Jin, an economist at the LG Research Institute, told Bloomberg. "People are anxious that they will be fired."

Hyundai on Tuesday opened the doors of its main plant, in the southeastern industrial city of Ulsan, for the first time in six weeks, after its militant union agreed to accept layoffs of 277 workers. The company predicted assembly lines would be rolling again by the weekend.

The figure of 7.6 percent unemployment was the highest reported in Korea since 1966, when the country was still recovering from the ravages of the Korean War and entering an era of industrialization marked by massive increases in productivity and exports.

Per-capita gross national product rose to an all-time high of about \$10,000 last year before falling to its current level of about \$7,000.

The Ministry of Finance predicts that per-capita GNP will fall to \$6,200 this year.

## Global Outlook Sours Early Wall Street Rally

Compiled by Our Staff From Dispatches

NEW YORK — Blue-chip stocks rose Tuesday after markets rallied around the world, but strong gains posted early in the day were largely wiped out in afternoon trading amid continued worries about the global economic backdrop.

The Dow Jones industrial average finished 36.04 points higher, at 8,602.65.

Advancing issues narrowly outnumbered declining ones on the New York Stock Exchange. The Dow had

been up by more than 100 points early in the day.

U.S. bonds rose for the third time in four days as a strong dollar, falling commodity prices and expectations that turmoil in world financial markets will not be resolved soon pushed investors toward the haven of Treasury bonds.

"There is such a tremendous amount of worry in the world, Treasuries look really good," said Ken Anderson, a portfolio manager at Evergreen Asset Management Corp.

The price of the benchmark 30-year Treasury bond rose 18/32 to 101, pushing the yield down to 5.43 percent from 5.46 percent on Monday.

There were mixed signals Tuesday as to whether domestic business activity would remain vigorous enough to offset the slowdown overseas.

The National Association of Realtors reported Tuesday that sales of existing single-family homes jumped 4 percent in July, to 4.93 million units, surpassing the previous record set in March of 4.89

million units. But while strong home sales continue to fuel the economy with demand for building materials and furnishings, a separate report showed that consumer confidence fell for a second straight month in August.

Among broad stock-market indexes, the Standard & Poor's 500-stock index rose 4.68 points to 1,092.82, while the Nasdaq composite index rose 7.17 points, to 1,797.99.

The recession in Asia and falling commodity prices have cut into corporate earnings this year. Operating profit growth for the companies in the S&P 500 slowed to an annual rate of 3.4 percent in the second quarter, after rising 11 percent in the same quarter last year, according to First Call Corp.

See STOCKS, Page 12

## ECONOMIC SCENE

### Spending Spree Looks a Bit Shopworn

By Gretchen Morgenson  
New York Times Service

NEW YORK — They have shopped and shopped. Now, are they starting to drop?

The marathoner of the moment, as far as Wall Street is concerned, is the American consumer, one of two prime movers behind the booming economy of the past four years. Shop-happy consumers brought the nation out of the recession back in 1991 and, together with corporations investing in capital equipment, have kept growth perking far longer than in other economic cycles.

These same free-spending consumers are needed to snatch up foreign goods and pull the world's faltering economies back from the brink.

Now, however, there are signs that the marathoner may be tiring.

And since capital spending by corporations is also declining, a prolonged weakness among consumers could add insult to an already injured stock market.

Straws in the wind on consumer spending come from surveys conducted by International Strategy and Investment, a brokerage firm in New York specializing in economic research. Every week, the firm surveys almost 100 companies, including retailers, auto dealers, manufacturers, home builders and banks.

"We're getting indications that consumer spending is starting to soften," said Jason Trennert, vice president of the firm. "We're not counting the consumer out. And no question, lower interest rates are going to provide a fairly strong backdrop for consumer spending. But some of the headwinds on the economy are starting to affect consumer spending."

Analysts at ISI often identify significant economic trends well ahead of the rest of Wall Street. For instance, the firm spotted the Asia debacle and warned of its consequences in the spring of 1997, when most Wall Street firms still considered the Asian economies a picture of health. Ed Hyman, a founder of the firm, has been named the top-ranking economist by Institutional Investor magazine for 18 years.

The most recent data from ISI show the lowest reading on overall economic strength since January. The index, in which 100 represents strong growth, stood at 48.8 as of Aug. 21, down from 50.3 in July and 55.9 in May. The ISI numbers are not seasonally adjusted.

The survey found a whiff of weakness in consumer spending at retailers and auto dealers. For two weeks, retail sales have slowed at the six national retail chains interviewed by ISI.

The weakness was broad-based, showing up at both a discounter and a department store chain. ISI's retailer index fell to 39.6 last week, down from 54 in May.

Retailers reported strong sales in the first week of August, giving hope for a bang-up back-to-school season. But the sales growth fizzled; subsequent weeks have been dismal.

ISI sees a similar trend in auto sales. Many dealers in the survey reported significantly fewer car shoppers on their floors.

What the consumer does is important because consumption accounts for two-thirds of gross domestic product and because a host of countries with slumping economies are counting on Americans to buy their goods while Asians and others cannot. Most forecasters expect that growth in consumer spending will drop from the 6 percent

reported earlier this year to about 3 percent by the end of the year. If this number turns out to be too optimistic, the economy will feel the pain.

Another hint of declining spending came Tuesday when the Conference Board, a business research group, reported that its index of consumer confidence in August slipped to 133.1 points in August from a revised 137.2 in July, initially reported as 135.4. The July reading, however, was close to a 30-year high reached in June.

On Friday, the University of Michigan publishes its confidence report. In early August, the Michigan figures showed only a slight decline from the previous month.

Mr. Trennert wonders whether the consumer pullback that his firm is beginning to see is a result of the summer squalls in the stock market. Are consumers spending less because they have lost money, at least on paper?

"Our work has shown a strong correlation between retail sales and the performance of stocks," Mr. Trennert said. "Stocks tend to lead by about four weeks. Every time we've seen the stock market move up or down significantly, the moves tend to influence consumer spending."

Because the value of the average stock portfolio is probably down 10 percent or so from its high, it would not be surprising if consumers reined in their spending a bit.

One thing consumers still have going for them, of course, is declining interest rates. With Treasury yields near historic lows, home-mortgage refinancings will put additional income in consumers' pockets. So even if stocks continue to drift lower, American investors will have some good news to balance out the bad.

## CURRENCY & INTEREST RATES

Aug. 25									
Cross Rates	£	DM	FF	Yen	HK\$	NT\$	₹	₪	₹
American	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365
British	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365
French	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365
German	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365
Italian	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365
Japanese	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365
Spanish	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365
Swiss	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365
Thai	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365
U.S. Dollar	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365
Other Dollar Values									
Australian	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365
Canadian	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365
European	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365
Japanese	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365
Swiss	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365
U.S. Dollar	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365
Forward Rates									
1-month	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365
3-month	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365
6-month	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365
1-year	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365
Libor-Libor Rates									
1-month	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365
3-month	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365
6-month	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365
1-year	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365
Key Money Rates									
U.S. Dollar	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365
British	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365
French	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365
German	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365
Italian	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365
Japanese	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365
Spanish	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365
Swiss	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365
Thai	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365	1.365
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Reuters	1,513.50	1,511.00
D.J. Futures	123.93	124.00



## EUROPE

## Marsh Set To Acquire Sedgwick

Compiled by Our Staff From Dispatches

LONDON — Marsh & McLennan Cos., the world's largest insurance broker, agreed Tuesday to buy Sedgwick Group PLC, the No. 1 European insurance broker, for £1.25 billion (\$2.05 billion) to increase its presence in Europe and Asia.

Marsh & McLennan said it will pay £225 million for Sedgwick shares — 58 percent more than Sedgwick's closing price on Monday — and £1.12 per American depositary share. Alternatively, shareholders can have debt paying 0.5 percent above the six-month London inter-bank offered rate.

Kevin Ryan, an analyst at Nikko Europe PLC, said Sedgwick has assets of about £200 million, so Marsh & McLennan, which is based in New York, would be paying more than £1 billion in "goodwill."

"That makes this deal pretty risky," he said. But some analysts said the high offer price was meant to deter a counterbid from the world's second-largest broker, Aon Corp. The Chicago-based rival, like other financial companies, has been growing through acquisitions to save costs, gain market share and expand into new businesses, threatening Marsh & McLennan's position as world leader.

"This price is meant to be the killer blow," said Chris Rathbone, an insurance analyst with Williams de Broe in London.

Sedgwick shares rose 16.75 pence to £1.21 in London, while in New York, the American depositary shares were up \$5 at \$17.25 in late trading.

Marsh & McLennan said the offer had been accepted by executives and investors holding about 40 percent of the stock. Marsh & McLennan stock was down \$1.375 at \$55.31 in late trading in New York.

(Bloomberg AP)

## Telekom to Cut Back Administrative Staff

Bloomberg News

BONN — Deutsche Telekom AG said Tuesday it would cut about 90 percent of its administrative staff as part of a reorganization designed to help the former monopoly trim costs and bolster profits in Germany's competitive phone market.

When the streamlining is completed, Telekom said only 490 people would work at its Bonn headquarters, doing the administrative work that 6,500 people now do in 68 regional offices across Germany. The company plans to halve the number of offices outside Bonn, to 35, by October 1999.

The details were the first Telekom has offered since it said in June it would reorganize its corporate headquarters in the name of efficiency. The move is part of a bigger plan to slash Telekom's 188,000-strong work force to 170,000 people by the year 2000. So far, though, the company acknowledges that labor costs have not fallen as steeply as the number of jobs.

"Perhaps there's a new quality to these jobs," said Kathrin Spanek, an analyst at Bankgesellschaft Berlin AG. "Cutting jobs at the higher levels certainly would leave a greater mark on costs than reducing those with lower salaries attached."

Deutsche Telekom shares closed Tuesday up 1.45 Deutsche marks, at 51.05 DM (\$28.42).

Analysts said it was too soon to say how much further the cuts would bring Telekom toward reaching its cost targets. Since the telecommunications market fully opened to competition in January, however, investors and analysts have maintained that Telekom's ability to reduce costs quickly would be the key to buying profits as competition cut into sales and forced it to slash rates.

Last year, for example, the phone company managed to reduce its personnel costs by only 2.3 percent, to 18.4 billion DM, even though it cut its work force by 14,000 people, or 6 percent.

After the reorganization, Telekom's headquarters will handle all the phone company's accounting, finance and other administrative work. The company's various divisions heads will manage all its operations.

These include fixed-line phone service, mobile phones, cable television service and Internet-related services.

## Bonn Confident of Rising Growth

Compiled by Our Staff From Dispatches

BONN — Germany should suffer only limited economic impact from the financial crises in Asia and Russia as burgeoning domestic demand supports an accelerating recovery, the Economics Ministry said Tuesday.

The ministry said in its August monthly report that growth in the second quarter of this year probably slowed to a seasonally adjusted 0.5 percent from 1 percent in the first quarter.

But that did not mean the economy was stalling, the ministry said, adding that the spring slowdown was the result of a series of one-time factors, including an increase in value-added tax and fewer working days.

"Looking at the longer perspective, the economic recovery is gaining an increasingly broad and solid basis," the report said. "Whereas it was carried in 1997 mainly by exports, now domestic demand is

clearly rising." Repeating figures made public by Economics Minister Günter Rexrodt last week, the report said that year-on-year growth in the second quarter was between 1.5 and 2 percent.

It estimated growth in the first half at between 2.5 and 3 percent, in line with Mr. Rexrodt's full-year forecast of 2.9 percent growth. The economy expanded by 2.2 percent in 1997.

The report said that the German economy's exposure to the Russian turmoil and the prolonged economic crisis in Asia was limited.

"The negative impact of these developments on economic growth in Germany will remain limited," the report said. "The affected countries only account for a relatively small share of German foreign trade. And the revival of domestic demand is providing an important counter-

weight for the European economy." West German inflation fell to an 11-year low in August, and import prices sank to their lowest level since November 1992, as slumping commodity prices, particularly oil prices, all but erased price pressure in Europe's largest economy.

Consumer prices in Western Germany fell 0.1 percent in the month to mid-August, the Federal Statistics Office said, and climbed 0.7 percent in the year. That is the smallest annual increase since a rise of 0.4 percent in September 1987. Import prices fell 3.3 percent in July, the largest drop in five and a half years.

In a speech in Stavanger, Norway, the Bundesbank president, Hans Tietmeyer, said he was satisfied with the worldwide inflation climate, although he warned that the drop in inflation rates probably would not continue. (Reuters, Bloomberg)

## UBS's Debut: 22% Net Rise in Bank's 1st Half

Compiled by Our Staff From Dispatches

ZURICH — UBS said Tuesday its first-half net profit rose 22 percent to 3.51 billion Swiss francs (\$2.34 billion), adding that this was "well above expectations," but the largest European bank cautioned that second-half results would be below those for the first half.

The first-half result includes the sale of BSI-Banca della Svizzera Italiana and a provision for an accord sealed earlier this month in New York with Credit Suisse to settle Holocaust-era bank claims.

Without these factors, profit would have been 3.02 billion Swiss francs, a rise of 5 percent from a year earlier, UBS said.

The result is the first since UBS was created from a merger finalized in June between Union Bank of Switzerland and Swiss Bank Corp.

All five core UBS businesses — private banking, institutional asset management, private corporate clients, investment banking and private equity — contributed to the good performance, the bank said.

Eliminating special factors, the bank forecast that net profit for the year would rise 10 percent from 4.8 billion francs a year earlier. (AFP, Reuters)

## Viagra Set for Approval by EU Authorities

Bloomberg News

BRUSSELS — Pfizer Inc.'s Viagra is set to get marketing approval in the European Union, meaning that the world's best-selling impotence drug may be on sale in member countries by the middle of September, the European Commission said Tuesday.

The EU committee on medicines recommended requiring that the drug be sold with a warning of its side effects. Final approval is expected Sept. 15.

Viagra is to be sold by prescription only, and each nation will set its own policy on insurance reimbursement, said Rolf Bass of the European Medicines Evaluation Agency.

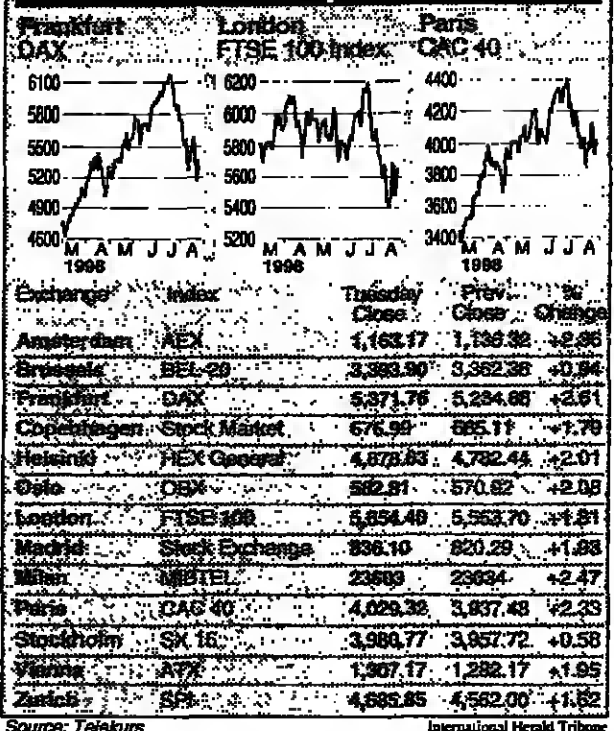
■ EU Untroubled by Rolls Deal

The European Commission on Tuesday cleared Volkswagen AG's acquisition of Rolls-Royce Motor Cars Ltd., saying it posed no anti-trust problems. The Associated Press reported from Brussels.

Volkswagen's increased market share after the purchase would not exceed 5 percent in any of the member states, the commission said.

Volkswagen's purchase of Rolls-Royce Motors marks yet another acquisition by a German company in the fast-consolidating industry. Other recent moves included another purchase by Volkswagen — of Lamborghini SpA, the Italian manufacturer of racing cars — and Daimler-Benz AG's agreement to buy Chrysler Corp.

## Investor's Europe



## Very briefly:

- Axel Springer Verlag AG, the publisher of Bild, Germany's largest-circulation newspaper, said first-half net income rose 8.9 percent, to 129 million Deutsche marks (\$71.8 million), restrained by higher paper costs and tougher competition.
- Elf Aquitaine confirmed that it had decided not to pursue a planned strategic alliance with AO Sibneft, Russia's seventh-largest oil company, because of concern over the volatile investment climate in Russia.
- British Biotech PLC appointed Elliott Goldstein, Smith-Kline Beecham PLC's senior vice-president and director of worldwide strategic product development, to take over as chief executive, replacing Biotech's founder, Keith McCullagh.
- Groupe Air France said talks between the airline and its pilots ahead of a planned partial privatization could be completed by the end of this month.
- Hannover Ruckversicherungs AG agreed to acquire Clarendon Insurance Group of the United States for \$500 million.
- Jenoptik AG's first-half loss widened 21.6 percent, to 45.96 million DM, because of the cost of its initial public offering and reorganization.
- France's new home sales rose sharply in the second quarter, up 5.7 percent from the first quarter, the Housing Ministry said. New home sales had fallen 3.6 percent in the first quarter. In the quarter that ended on July 31, housing starts totaled 67,541.
- Poland will demand high prices for strategic stakes in three banks — Pekao SA, Bank Zaochodni SA and BP SA — that will be sold in the next six months, with foreign investors expected to fight over the last attractive parts of the state banking sector, analysts say.

Bloomberg, Reuters, AFP, AP

## WORLD STOCK MARKETS

Tuesday, Aug. 25

Daily prices in local currencies

High Low Close Prev.

Amsterdam

ASEX Index: 1161.37

Previous: 1161.37

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The 2,600 most traded stocks of the day.  
 \* Nationwide prices not reflecting late trades elsewhere.  
 The Associated Press

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## ASIA/PACIFIC

# Risky Loans At LTCB Total 15%

**Compiled by Our Staff From Dispatches**

**TOKYO** — Long-Term Credit Bank of Japan Ltd. had nearly \$20 billion dollars in outstanding loans that were either risky or likely to go bad, a parliamentary committee said Tuesday.

The bank had 238 trillion yen (\$16.55 billion) in risky loans and 444.4 billion yen in loans with a high probability of default that it had not yet covered with reserves, according to bank documents released to the committee.

Those figures are part of the bank's own assessment of the condition of its loan portfolio — confidential documents that were released only to the bank's auditors and the Financial Supervisory Agency.

The bank, whose credit ratings were cut to "junk" this month, agreed to let the Financial Supervisory Agency disclose its loan assessment to Parliament after opposition politicians debating legislation to close down failed banks demanded to know the status of Long-Term Credit's balance sheet.

Opposition politicians have sharply criticized the government of Prime Minister Keizo Obuchi over plans to use public funds to dispose of some of the bank's doubtful loans.

The government defended the bailout. Finance Minister Kiichi Miyazawa said it was necessary because the failure of such a big bank "would have an impact not only on the Japanese economy, but also on confidence in Japan."

To head off accusations that public funds would be a temporary crutch for a hopelessly insolvent lender, LTCB took the unprecedented step of disclosing the results of the in-house audit of its loans. The bank said about 15 percent of its loans were "likely to go bad" or "required monitoring." That compares with the industry average in Japan of about 11 percent.

# Mitsubishi in U.S. Defense Deal

**Bloomberg News**

**TOKYO** — Shares in Mitsubishi Electric Corp. rose 2.6 percent Tuesday on reports that it would form a partnership with Lockheed Martin Corp. of the United States to develop electronics for military applications.

Nihon Keizai, the leading Japanese economic newspaper, reported that the companies would share technology and jointly present bids to the National Defense Agency in Japan for projects including missile-guidance systems. A spokesman for Mitsubishi confirmed that the two companies had reached a basic agreement on Monday but said details remain to be decided.

Mitsubishi Electric shares

climbed 7 yen to 277 (\$1.93). "Defense-related electronics, which accounted for around 5 billion yen in operating profit last year, represent one of Mitsubishi's steady income streams," said Akihito Tsunoda of Kokusai Securities Co. "The news is positive, though the company still faces the challenges of reducing red ink in its core businesses." Last year the company posted a group net loss of 105 billion yen as its semiconductor business slumped.

In return for offering broader access to the Japanese market, Mitsubishi Electric will be able to strengthen its research and development capabilities by drawing on the experience of the largest defense

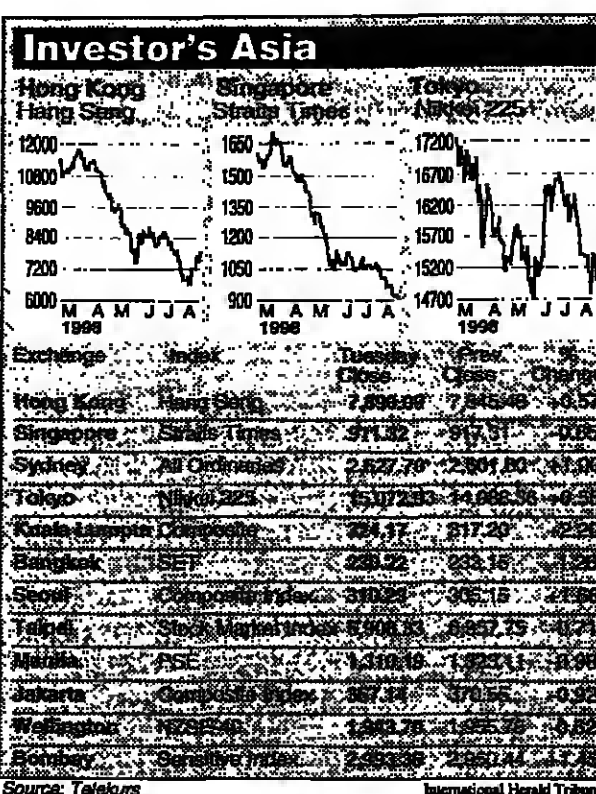
# Thailand Sees Rally in GNP in 1999

**Bangkok** — Thailand said Tuesday its worst recession in half a century could be over within a year barring further shocks from the rest of Asia.

Thailand's fifth letter of intent to the International Monetary Fund, approved by the cabinet on Tuesday, said the nation's economy would post modest growth in 1999 after contracting about 7 percent in 1998.

As recently as May, Thailand forecast that its gross domestic product would contract just 4 to 5.5 percent this year.

Prime Minister Chuan Leekpai, taking up the theme of the letter, said, "I believe the economy will post zero to 0.5 percent growth next year. It would depend on the external situation, which we cannot predict."



## Very briefly:

- Indonesia said it probably would sell stakes in only 10 state-owned companies in the current fiscal year, not the 12 originally planned. State Enterprises Minister Tanti Abeng said that the sale of a further stake in PT Telkom would be delayed until market conditions improved, and that the sale of a stake in PT Krakatau Steel might also be held up.
- Vodafone Group PLC, the leading cellular telephone company in Britain, agreed to buy the New Zealand mobile phone network owned by BellSouth New Zealand Wireless Holdings Inc. and ST Telecommunications for 750 million New Zealand dollars (\$369.7 million).
- Matsushita Electric Industrial Co., the Japanese consumer electronics giant, reported that net income tumbled 57.7 percent, to 11.1 billion yen (\$77.2 million) in the quarter that ended in June, badly hit by the economic slump across Asia.
- Pioneer Electronic Corp. of Japan joined Canal Plus SA of France and two American companies, C-Cube Microsystems Inc. and DiviCom Inc., to develop a system that will deliver sophisticated digital cable television services.
- Toyota Motor Corp., Nissan Motor Co. and Honda Motor Co. reported big declines in domestic vehicle sales and exports in July from a year earlier. Toyota said sales in Japan fell 6.6 percent while exports fell 8.8 percent. Nissan said sales in Japan fell 9.3 percent, with exports down 3.1 percent. Honda said sales in Japan tumbled 9.8 percent while exports fell 13.3 percent.

# Insurer Seeks to Buy Rival In Biggest Australia Takeover

**Compiled by Our Staff From Dispatches**

**SYDNEY** — AMP Ltd., a life insurance and funds management group, launched the largest Australian takeover bid ever Tuesday with an offer of 3.01 billion Australian dollars (\$1.75 billion) for the general insurer GIO Australia Holdings Ltd.

The hostile offer — rejected by GIO — would sharply increase Australian Mutual Provident Society's presence in what has been one of its weakest areas, the general insurance market in Australia and New Zealand.

AMP offered 4.75 dollars cash per GIO share or two AMP shares for every nine GIO shares, which it said represented a 22 percent premium on the average share price over the last two weeks.

The board of GIO rejected the offer late in the day, saying it was unwelcome and inadequate.

Investors also deemed the bid to be too low.

They bid GIO shares well above the offer price as they bet that AMP

# Hong Kong Curbs A Wave of Selling

**Bloomberg News**

**HONG KONG** — The Hong Kong government held back a wave of selling on Tuesday in the stock and futures markets as some investors cast new bets against the city's currency and equities.

The Hang Seng Index rallied in a late-day surge as the Hong Kong Monetary Authority bought about 4 billion Hong Kong dollars (\$516.2 million) of Wharf Holdings Ltd. and other benchmark stocks, traders said.

The benchmark Hang Seng Index fell as much as 1.7 percent before closing up 44.61 points, or 0.6 percent, at 7,890.09.

The monetary authority has spent more than \$2.1 billion since Aug. 14 in an attempt to curb investors betting against equities and the Hong Kong currency, which is among the last in Asia still pegged to the dollar.

# AIRBUS: British Airways Bypasses Boeing for \$11 Billion Order

**Continued from Page 1**

options on 16 additional planes, although some industry sources said the deal amounted to a rearrangement of a previous order for 747s. British Airways' chief executive, Robert Ayling, said the company would continue relying on Boeing for its long-range jetliners.

Mr. Ayling, often said to share Mr. Blair's pro-European sentiments, rejected suggestions that British Airways had chosen Airbus under political pressure, saying that the contract reflected "one of the most exhaustive and competitive tendering processes in the history" of the airline.

For Britain, the Airbus deal offers a string of commercial advantages and possible political benefits, analysts said.

British Airways gets an airplane it needs — the A320 Airbus, a family of single-aisle planes seating between 125 and 200 passengers — at a price reportedly bargained down to the floor as Boeing vied for the deal.

"Airbus cannot be expected to make any money on these planes," according to a British analyst who asked not to be named.

List prices run about \$50 million apiece for the A320, which competes directly with the Boeing 737. BA placed a firm order for 59 planes, with options

on 129 more. The full order was therefore estimated to be worth \$11 billion, making it Airbus's largest-ever sale to a non-U.S. airline.

But the actual price was heavily discounted, perhaps by as much as 40 percent, according to analysts, who noted that no real figures have been released about the purchase price or maintenance arrangements over the lifetime of the aircraft.

Airbus has even more flexibility than Boeing in price-cutting, the analysts said, because there is no centralized accounting of costs: instead, each Airbus is built in segments and supplied at a fixed cost by companies in the four owner nations.

But an indication of steep discounting surfaced last year when Daimler-Benz Aerospace of Germany, the only partner that discloses details, acknowledged that its revenue from Airbus had fallen even though the consortium sold a record number of aircraft.

Eager to put Airbus on a sounder commercial footing, Bonn and London have sought to transform the consortium into a normal company, merging all the manufacturing under a separate Airbus management and paying off the existing partners with shares in the new Airbus company.

The way for the reorganization was cleared last month when Prime Minister Lionel Jospin, in a potentially contro-

# CONFUCIUS: A Descendant Cashes In on an Ancient Franchise

**Continued from Page 11**

"Maybe one day they will be studying Confucius again."

So with this enormous historical heritage, fermenting beverages with names such as Confucius Family Red Wine could be considered almost blasphemous. But the Kongs do not seem to mind at all. In fact, the companies — Confucius Family Jia Liquor Co., Confucius Family Group and Confucius Yan Liquor Co. — started using the family name without Miss Kong's permission, adding Confucius to their company titles in the mid-1980s as a marketing stunt. Sales of their products soared.

In 1995, for example, Confucius Family Group had a pretax profit of \$10 million, according to Koug Chao, another descendant of Confucius who is the company's deputy president.

In the 1990s, Confucius Family Group battled Confucius Yan Liquor Co. in a nasty case over the name. The group argued that since it was based in Qufu, the hometown of Confucius, it had the sole rights to use the philosopher's name. It accused Confucius Yan Liquor, which is based in Yantai, 150 kilometers (80 miles) south of Qufu, of being an interloper. The case was never settled.

Miss Kong was one of three children born in the tree-lined Confucius family,

compound in Qufu in the early 20th century. Her sister died when she was 24. Her brother, Kong Decheng, moved to Taiwan when the Nationalist forces, led by Chiang Kai-shek, fled there following their defeat during China's Communist revolution in 1949.

By then, Miss Kong had married a prominent Beijing dandy, named Ke Changsi. He disappeared after the revolution and is believed to have fled overseas, leaving Miss Kong with two children and no source of income, said Wang Yongji, a journalist with the Xinhua press agency who is the co-author of a book on the Kongs.

Miss Kong did not have political problems until the Cultural Revolution, the decade of radical political campaigns that began in 1966. She was dispatched to a labor camp for almost 10 years.

When the Cultural Revolution ended, Miss Kong's fortunes improved. She was rehabilitated in 1979, and in 1983 she was named to the Political Consultative Committee, a toothless organization whose job is to supervise the government. Still, the post came with a salary, an apartment in Beijing and the right to summer on China's Gold Coast on the Gulf of Bo Hai.

Miss Kong asked for two things. She wanted the tomb of her father repaired and relocated on the family's grounds in Qufu, and she wanted better treatment

during visits to her hometown.

In a move that shocked Qufu business circles, Miss Kong threw her hat in with the interlopers from Yantai, allowing them to make her nominal chairman of their board, thereby strengthening their case as the makers of genuine Confucius family wine. The Yantai company paid Miss Kong a small stipend monthly for her name.

The Qufu companies pleaded with her to allow them, too, to use her name. She consented, and by 1994 Miss Kong was chairman of the board of three Confucius winemaking enterprises.

Along the way she also became "Lifetime Honorary President of Confucius International Travel Agency," as her business card says. In Qufu, her father's grave was repaired and her treatment improved.

But things are getting tough these days for all of the Confucius liquor companies as the economy sags under the weight of the Asian financial crisis. Confucius Family Group, which merged with the smaller Qufu company a few years ago, has seen its profit drop more than 50 percent, said Koug Chao, its vice chairman. The company stopped paying Miss Kong her monthly \$250 stipend this year. Things are even worse at the Yantai company, which could go out of business. It stopped paying Miss Kong after the Qufu companies began using her name.

# RUSSIA: Ruble Dives 9% Against Dollar as Financial Woes Grow

**Continued from Page 1**

shares in a bid to lay their hands on ready cash. On Tuesday, the main RTS stock index rose 2.4 percent, up 2.10 points to 88.50.

Under the debt restructuring, investors holding government bonds would be able to exchange them for three new types of ruble-denominated bonds, known as GKOs, to be issued by the authorities.

[The options are: a three-year bond with an annual interest rate of 30 percent; a four-year paper with a 30 percent interest rate for the first three years and 25 percent for last year; or a five-year paper at 30 percent for three years, 25 percent in the fourth year and 20 percent in the fifth year.]

The central bank announced after the ruble's decline that it had cut the mandatory reserve requirements for banks. This had the effect of immediately injecting 4 billion rubles into the banking system.

The central bank said it intended the injection of money to help struggling banks make payments to clients and settle transactions stalled by the crisis.

The banks are undergoing a severe squeeze because many of them have sizable dollar obligations, but their ruble assets have declined in value. Many of them cannot pay off their loans, and the debt moratorium also applied to the banks' overseas debts.

But instead of using the freed reserves for transactions, the banks almost immediately traded the rubles for dollars Tuesday, creating the strong demand for dollars on the currency exchange, according to traders and a central bank statement. No one else on the exchange was offering dollars for sale, so the central bank said it wound up having to satisfy the day's entire demand of \$429 million.

"Banks do have rubles now," said Irina Yasinina, a central bank spokeswoman. "We returned to them part of

their mandatory reserves, hoping that they would settle with their depositors, with each other, and effect clients' payments. But things took a different turn. Banks channeled the money to the currency markets."

Brunswick Warburg, an investment firm, reported that the central bank had pumped more than 12 billion rubles into the banking system over the last three days to bolster banks, rather than let some of them go under.

The merger announced Tuesday is expected to be the first in a shake-out of the financial industry here. Groups of large banks have been looking for partners with which to join forces in a frantic effort to survive the financial crisis. The merger brings together three of Russia's most prominent tycoons: Vladimir Potanin of Uneximbank, who also has media, communications, oil and mining interests; Mikhail Khodorkovsky of Menatep, who also heads Yukos, Russia's second-largest oil company; and Vladimir Gusinsky of MOST Bank, whose empire is centered on media properties. They said each would donate 51 percent of the shares of their banks to a new holding company in which they would share ownership.

The merger is surprising because Mr. Gusinsky and Mr. Potanin had been bitter competitors last year in a government auction of a telecommunications company. Mr. Potanin won the deal, but Mr. Gusinsky complained that he had been helped by the government.

Two other banks, National Reserve and Incombank, were also reported to be planning a merger, according to Echo of Moscow, a radio station.

**Yeltsin Promises Reform**

President Boris Yeltsin of Russia pledged in a telephone call with U.S. President Bill Clinton that economic reform would be the top priority of his new government. Reuters reported Tuesday.

"Both presidents reaffirmed the im-

**Escorts & Guides**

**BELGRAVIA**

**ORCHIDS**

LONDON - EUROPE

THE FINEST & THE MOST SINCERE

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Dr	Ys	PE	102	High	Low	Lat	Long	Chg
A-B-C								
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4	4	4	4	4	4	4	4	4
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50	50	50	50	50	50	50	50	50
51	51	51	51	51	51	51	51	51
52	52	52	52	52				

[illegible]

**Tuesday's 4 P.M. Close**  
(Continued)

NYSE					12 Month					12 Month					12 Month					12 Month				
Tuesday's 4 P.M. Close					High Low					High Low					High Low					High Low				
(Continued)					Dev Yld PE 100:High Low:Last Chge					Dev Yld PE 100:High Low:Last Chge					Dev Yld PE 100:High Low:Last Chge					Dev Yld PE 100:High Low:Last Chge				
72	High	Low	Stock	Dev Yld PE 100:High Low:Last Chge	72	High	Low	Stock	Dev Yld PE 100:High Low:Last Chge	72	High	Low	Stock	Dev Yld PE 100:High Low:Last Chge	72	High	Low	Stock	Dev Yld PE 100:High Low:Last Chge					
179	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
180	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
181	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
182	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
183	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
184	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
185	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
186	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
187	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
188	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
189	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
190	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
191	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
192	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
193	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
194	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
195	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
196	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
197	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
198	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
199	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
200	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
201	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
202	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
203	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
204	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
205	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
206	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
207	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
208	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
209	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
210	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
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218	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
219	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
220	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
221	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
222	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
223	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
224	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
225	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
226	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
227	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
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229	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
230	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
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234	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
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238	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
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240	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
241	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
242	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
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256	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
257	16	16	NYSD	99.58	23	17	184	13	12%	44	22	22	Rockwell	20	7	11	283	28	28%					
258	16	16	NYSD	99.58	23	17	184	1																



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By Buster Olney  
New York Times Service

NEW YORK — When Joe Torre played, one of the performance-enhancing tickets was a thick steak. Ten or even five years ago, players filled themselves with pasta, to load up on carbohydrates. And ballplayers of all generations have been liberal users of coffee and nicotine products.

On the face of it, some New York Yankees believe, a parallel can be drawn between these products and androstenedione, a testosterone-producing pill that Mark McGwire says he has been using for over a year.

Like pasta or steak, the substance can be bought over the counter, and while it has been banned by the National Football League and the International Olympic Committee because it is thought to provide an unfair advantage, there is nothing that bars its use in baseball.

"He's not doing anything illegal," Joe Girardi, the Yankee catcher, said of McGwire, who sat out Monday's rain-shortened tie game against Pittsburgh and remains on hold with 53 home runs, eight short of Roger Maris' single-season record. "He's just doing things to help his body. We all do things to help our bodies, take protein. It's a health-conscious sport."

Said Chad Curtis, the Yankee outfielder: "If a guy wants to improve his game and he feels he can get stronger, and a company comes up with a product that's legal and they claim that's going to help him get stronger if he uses it, how can you blame the player for just trying to improve his performance?"

"If the substance is really a bad substance, don't blame the player — blame the company that's putting it out. They're the ones who should do the research on whether it's good or bad. They're claiming it's a good product, and maybe Mark McGwire or Chad Curtis or whoever else isn't educated enough to judge whether it's good or bad."

Curtis and Girardi are two of a majority of Yankee players who use the amino acid powder called creatine, which is considered a muscle-builder and has become increasingly popular among athletes.

McGwire uses it, as does Sammy

Sosa, who with 51 home runs is right behind McGwire in the Maris chase.

But McGwire is the only baseball player who appears to be acknowledging the use of androstenedione, and hard feelings are now emerging.

On Monday, the St. Louis manager, Tony La Russa, said that The Associated Press, which originally reported McGwire's use of androstenedione, should be punished for peering into McGwire's locker and spotting the substance on the top shelf.

He said that the news agency had invaded McGwire's privacy and that he would like to see it barred from the Cardinals' clubhouse, even though he was certain team management would not allow such a step.

"My philosophy is, if you slap me, I slap you back," La Russa said. "And maybe they won't slap me as often."

So far, the disclosure on Friday that McGwire uses androstenedione has not seemed to affect the slugger, who hit home runs on Saturday and Sunday before home — and appreciative — crowds in Pittsburgh.

But that is not to guarantee that hecklers will not eventually emerge.

In Chicago, where Sosa failed to homer in a 12-3 loss to Houston, one sign in the stands said, "Sammy hits his without drugs."

When asked about McGwire after the game, Sosa, who has often spoken with admiration of the first baseman, had this to say:

"I'm a grown man, and I know what's good and I know what's bad. I cannot be in McGwire's shoes. He has his own life. He knows what to do. I wish people will try to forget about it."

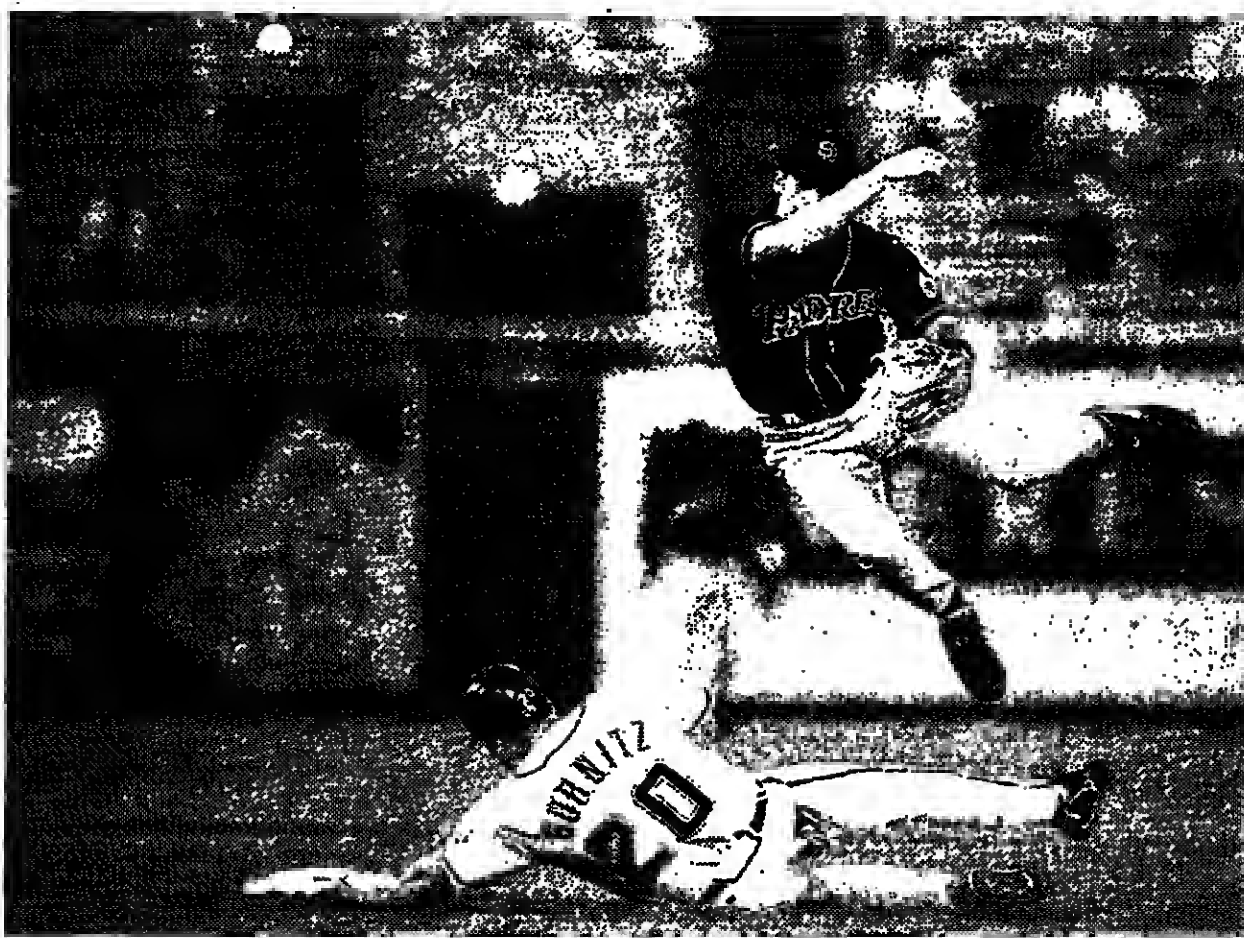
The clear sentiment among baseball people is that fans should instead concentrate on just how difficult a feat faces McGwire and Sosa and just how accomplished both are as hitters.

"They're going to hit them," the Cubs' manager, Jim Riggleman, said Monday of the two players.

"When they're in a groove, they're going to hit them, and there's not too much that's going to help or hurt."

"They're that good."

"McGwire has been hitting home runs from college on. That's why he was a top draft pick."



Leo Gomez, the San Diego shortstop, throwing to first base after forcing out Milwaukee's Jeromy Burnitz.

## Giants No Longshots After Carter Clout

The Associated Press

Thanks to Joe Carter's long ball, the San Francisco Giants are no longer longshots in the National League wildcard race.

"We've still got a ways to go, but it's there for us," the Giants' manager, Dusty Baker, said after Carter's two-run homer helped the Giants beat the Florida Marlins, 7-4, on Monday.

The New York Mets and Chicago Cubs, the two teams ahead of the Giants in the chase for the wildcard playoff spot, both lost. San Francisco is two games behind the Mets, one behind the Cubs. The Giants and Mets started a three-game series in San Francisco on Tuesday.

Carter rallied San Francisco from a 4-3 deficit when he hit a two-run homer in the eighth and the Giants swept a season series for the first time in their 116-year history. San Francisco finished 9-0

against the Marlins.

Diamondbacks 9, Mets 5 Jay Bell doubled, tripled and homered as Arizona won at in New York for the second straight day.

Astros 12, Cubs 3 Moises Alou, Craig

### NL Roundup

Biggio and Carl Everett bombed for Houston, which completed a three-game sweep in Chicago, outscoring the Cubs 33-9. Chicago's Sammy Sosa was 2-for-4 with a pair of singles, remaining at 51 homers.

Braves 4, Dodgers 3 In Atlanta, Javy Lopez and Andruw Jones hit back-to-back homers in the eighth as the Braves overcame a 3-0 deficit.

Tom Glavine (17-5) joined teammate Greg Maddux as the National League's only 17-game winners.

Reds 6, Expos 1 Pete Harnisch took a perfect game into the sixth inning and wound up with a three-hitter as Cincinnati completed a three-game sweep in Montreal, extending the Expos' losing streak to five.

Rockies 3, Phillies 1 Todd Helton homered and Bobby Jones snapped a three-game losing streak with six strong innings as Colorado won in Philadelphia.

Padres 7, Brewers 2 Greg Vaughn hit his 43d home run and Ken Caminiti homered and drove in four runs to lead the Padres at Milwaukee.

Cardinals 5, Pirates 5 The major league home run leader, Mark McGwire (53), took the day off and, as it turned out, the Cardinals and Pirates did, too — at least in the standings. The game in Pittsburgh was rained out in the seventh with the teams tied at 5-5.

## World Series Has Far East First

By Ed Guzman  
New York Times Service

WILLIAMSPORT, Pennsylvania — When 12-year-old Sayaka Tsushima ran onto the field at Howard Lamade Stadium to take her position in center field for Sunday's game against Gnadahupe, Mexico, she was also taking her place in history.

Miss Tsushima, of Kashima, Japan, became the first girl to play on a Far East team in the Little League World Series.

Miss Tsushima is the sixth girl to play in the Little League World Series since 1984, or 10 years after girls became eligible to play in Little League.

"I am very happy to be the first Japanese girl to play Little League," Miss Tsushima said through an interpreter after Sunday's 6-1 victory,

in which she went 1 for 2 with two runs scored. "When people found out there was going to be a girl, there was a big commotion."

She singled and scored Monday as Far East, cruised to a 10-3 victory against Dhahran, Saudi Arabia.

While she is spirited on the field, Miss Tsushima is shy and soft-spoken off it, and she may be wondering what all the fuss is about. After all, she has been playing baseball for two and a half years after spending a year as a third baseman and a pitcher for her softball team.

"It wasn't the first time I had faced a girl," said Doug Grosch, the pitcher on the Saudi Arabian team.

"When I get into the first year of high school, things will change," Miss Tsushima said. "I still have two more years where I can keep up the same level of play as the boys."

## Yankees' Nemesis, Angels, Do It Again

By Buster Olney  
New York Times Service

NEW YORK — In a season when almost everything has gone right for the New York Yankees, the Anaheim Angels always seem to be around when things go wrong. The Yankees lost their first two games of the season at Anaheim. Yankee Stadium had to close for repairs when Anaheim was in town.

Now Anaheim is the only team with a winning record (4-3) against the Yankees, after scoring five runs in one hurt Monday night and beating Andy Pettitte, 7-3, at Yankee Stadium. If the American League playoffs were to begin now, the Yankees would open against — that's right — the Angels.

Monday night's game was the makeup of the April 13 postponement, forced when a 500-pound expansion joint landed in a log section of Yankee

Stadium and caused city officials to close the ballpark temporarily.

Pettitte shut out the Angels for six innings, needing only 67 pitches in the first five, blistering the hands of the

### AL Roundup

Anaheim hitters with his cuner, which runs in on right-handed batters, and maintaining wonderful command of all his pitches.

But his masterly effort splintered in the seventh. Within a span of six hitters, Pettitte gave up five hits and four runs and went from an irresistible force to a losing pitcher.

Jack McDowell, the Anaheim starter, ended up with the victory over his former teammates.

The Yankees went at McDowell with unusual aggression, eschewing their typically patient approach and swinging

early and often in the count — perhaps to take advantage of McDowell's fastball, which has diminished. The first time through the lineup Monday night, seven of the nine Yankees had plate appearances of three pitches or less. McDowell allowed no hits and no runs in the first four innings. He gave up just two runs, in the fifth.

In other games, the Associated Press reported:

Rangers 6, Tigers 5 Aaron Sele (15-10) allowed three runs and nine hits in 6 1/2 innings and Will Clark hit a two-run homer.

Mariners 11, White Sox 12 Ken Griffey hit his American League-leading 44th home run as the Mariners completed a four-game sweep in Seattle.

Royals 7, Blue Jays 3 Sal Fasano homered as Kansas City won its fifth straight, the Royals' best streak of the season.

## Rookie Says He Was Hurt In Hazing at Saints Camp

The Associated Press

NEW ORLEANS — Cam Cleeland, a New Orleans Saints' tight end, is still uncertain how badly he was injured in a hazing incident on the last night of training camp.

Cleeland, the Saints' second-round draft pick, was one of a number of rookies who had pillow cases put over their heads and were forced to run a gauntlet of veteran players. He was the only one to sustain serious injuries.

"My vision is about the same, blurred, and it hurts a lot," Cleeland said Monday. "I saw a specialist on Sunday and he said there is a sack of detached fluid around the retina that's causing the blurriness."

On Monday, the tight end had a CAT scan to determine if a bone around the left eye was broken.

On Thursday night, the final night of training camp in La Crosse, Wisconsin, the rookies were forced to run down the gauntlet in a hall on the third floor of their dormitory.

"It's my understanding they were hit, elbowed, kicked, just about everything," said Bill Kuharich, the Saints' general manager.

By the time the pillow case was removed from Cleeland, it was soaked with blood, some players said. He was bleeding from his nose and left eye. Cleeland was removed from the starting lineup after complaining of blurred vision before Saturday night's exhibition game against the Tennessee Oilers.

Cleeland did not want to talk about the incident and said he did not know which teammates made up the gauntlet he was forced to run.

"It goes on everywhere, you just don't hear about it if no one gets hurt," he said. "Obviously, it went a little bit too far this time. But I'm trying to be a member of this team and I don't want to do anything that gets me in wrong with people."

Cleeland's father, Gene, reached at his home in Sedro Woolley, Washington, said that if the injury was career-threatening, the family would consider a lawsuit.

"Having turned my son over to that organization, I expected them to take care of him," Gene Cleeland said. "From the owner down, they had an obligation and they failed."

He said the hazing was brutal and attributed it in part to Cleeland's being slanted as a starter. He also said the players involved were black. Cleeland is white.

"This smacks somewhat of reverse racism," Gene Cleeland said. "I'm speaking as a concerned father, but this is a black, inner-city, gang-like response to life, with the attitude that it will make a man of you. It's like a gang initiation."

"Am I making a value judgment? Yes, I am. Am I a racist? No, I am not, but I do truly understand the attitude of the inner city."

Jeff Danish, a defensive tackle and a rookie free agent from Syracuse, was also injured in the incident when his hand went through a window when he tried to stop himself following the run.

Danish, who was not seriously hurt, was waived by the Saints on Monday.

"In all of my days as a player, assistant coach and coach I have never heard of anything like this," the Saints' coach, Mike Ditka, said on his radio show following the Tennessee game Saturday.

### DENNIS THE MENACE

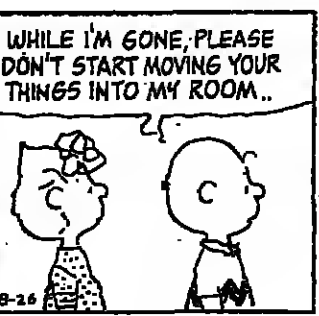


"I THINK SOMEONE'S LEAKING STORIES TO MY MOM!"

### PEANUTS



"I'M GOING INTO THE KITCHEN TO HAVE BREAKFAST... I'LL ONLY BE IN THERE FOR MAYBE FIFTEEN MINUTES..."



"WHILE I'M GONE, PLEASE DON'T START MOVING YOUR THINGS INTO MY ROOM..."



"I'LL PUT THESE SWEATERS BACK."

### CALVIN AND HOBBS



"THE PROBLEM WITH HAVING A TIGER FOR A FRIEND IS THAT HE ALWAYS APPEARS OUT OF NOWHERE, COMING RIGHT AT YOU AT A GOOD 90 MILES AN HOUR!"



"\*WHEN I THOUGHT I HEARD HIM... GOSH, MY HEART IS STILL POUNDING. WHERE IS HE??"



"OH, THERE'S HOBBES. THANKS, GOODNESS. YOU HAVEN'T BEEN LOOKING WELL. CALVIN, WERE YOU SHOULD GO TO BED EARLIER."

**JUMBLE**

THAT SCRAMBLED WORD GAME

Unscramble these four jumbles, one letter to each square, to form four ordinary words.

SYHIF

SHWIK

DEWIST

LENZOZ

Answer here: A

Yesterday: Jamboree, Dough, Shovel, Slurp, The Gold Shower



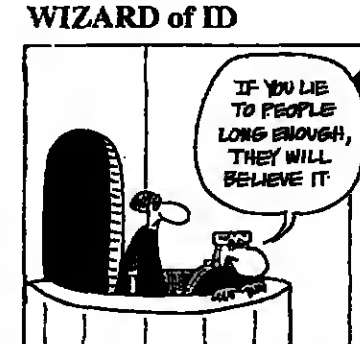
"YOU KNOW, GARFIELD..."



"I BELIEVE YOU'VE STOPPED SHEPPING."



"YOU JON! OVER HERE!"



"IF YOU LIE TO PEOPLE LONG ENOUGH, THEY WILL BELIEVE IT."



"I DON'T BELIEVE THAT."



"YOU WILL."

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"HEY! A QUARTER! NOW THAT'S WHAT I CALL LUCK!"



"WE HAVE GOT TO GET IN STEP WITH THE TIMES, GENTLEMEN, AND FIND A WAY TO MAKE US OUT TO BE VICTIMS OF SOMETHING..."



"I DON'T BELIEVE THAT."



"YEAP! THINGS ARE GOING GREAT! MORE ARTS AND CRAFTS! ABOUT \$10000 A MONTH NOW!"



"ISN'T THIS CONSIDERED AT ALL?"



"ARE YOU KID, FIRST HE'S THE ENEMY OF ALL HIS FRIENDS!"



"THAT'S RIGHT! DROPPED HIS TIE! THIS YEAR! EARLY!"

الطريق الى



## OBSERVER

## Too Late for the Clowns

By Russell Baker

NEW YORK — "I have been watching the most powerful country on earth making an ass of itself."

Something like this appeared in *The London Daily Mirror* in 1954, written by a columnist who had been sent over to cover the Army-McCarthy hearings. It's a wonderful lead, stating the facts precisely in one crisp sentence and remaining durable through the ages. It fits the present moment to perfection.

What, for example, could be more exquisitely trivial than the questions we now hear about the president's body language? You noticed, of course, that while walking to a helicopter his hand was held not by Mrs. Clinton, but by his daughter. You know what this means. If it means anything, and whether it means anything or not the media insist that you put down your coffee and ponder it. There may be clues in this hand matter, clues about Mrs. Clinton's emotions.

On the other hand, there may not be clues, but that's important too, isn't it? Then there is the mystery of the haberdashery signals. That necktie the president wore — it was given to him by Monica Lewinsky. And you know what Sources say, to wit, that by wearing that necktie he may have been communicating a message to Lewinsky. Yes, Sources say that.

So what was he saying that day? Was he sending necktie signals? And why necktie signals? Why not smoke signals? Maybe Lewinsky can't read smoke signals. Maybe Linda Tripp has equipment that lets her tape smoke signals. If so, will the Supreme Court let taped smoke signals

be admitted as evidence?

The real world? Who cares? The fascinating question is not whether we can survive, but whether the president can survive. What do Sources say? I'm not referring to Irv and Madge Sources, who used to provide me with foreign-policy leaks when I covered the State Department, nor to Nick (Unimpeachable) Sources, their son and heir who turned peach-able and fled to Brazil to avoid being blackballed at the National Press Club.

Having fled Washington myself to avoid the journalist's daily duty to be solemn about events of absolutely no consequence, I am forbidden to meet the Sources who keep America up to date on presidential bodily fluids and DNA samples, but sources close to the Sources tell me.

Well, never mind. On to the murderous Starr-Clinton relationship. After watching Clinton turn his contrition speech into an attack on Starr, people who have followed this governmental hurling tell me that for the first time they feel sympathy for Starr.

No wonder Starr is half-mad with the need to nail this slippery piece of human Jell-O to the wall, they say. The president is like Bugs Bunny forever tormenting Elmer Fudd to the edge of madness. Bunny constantly taunts poor Fudd by insolently demonstrating that Fudd cannot lay a glove on him.

Now, with gall on the heroic scale, Clinton announces that while he may have behaved badly with Lewinsky, it's Starr who is to blame for all the trouble.

Send in the clowns? Don't bother, they're here.

New York Times Service

By Ralph Blumenthal

New York Times Service

NEW YORK — In 1954, after surviving two African plane crashes and domestic life on safari with his fourth wife, Mary (and just maybe a mysterious tribal bride or two), Ernest Hemingway returned home to Cuba and began work on a long autobiographical novel.

Two years later, interrupted by the filming of "The Old Man and the Sea," he put aside the unfinished 200,000-word manuscript. With Fidel Castro's revolution, he abandoned Cuba and the book; in July 1961, just short of his 62d birthday, he took his life with a shotgun in Idaho.

Now, after a long repose in the limbo of restricted files in the John F. Kennedy Library in Boston, placed there by Mary Hemingway, the book — edited down by half and described as the last unpublished full-length Hemingway work — is being prepared for publication in time for the centennial of the author's birth next July 21.

This is it: there are no more books," said Charles Scribner 3d, whose family imprint, now part of Simon & Schuster, is bringing out what it calls the fictional memoir, "True at First Light," as edited by Hemingway's middle son, Patrick.

A.E. Hotchner, who related anecdotes from the safari in his 1966 biography, "Papa Hemingway," called the release of the latest work "a big publishing event" but voiced surprise that Hemingway had never mentioned the book to him during many discussions of other projects.

The plans were disclosed by *Daily Variety* this month, but the work was not unknown. Scholars inventoried the manuscript in 1969, and in 1971 and 1972 *Sports Illustrated* serialized a 50,000-word excerpt as Hemingway's "African Journal," part of which was included in a 1974 anthology, "The Enduring Hemingway."

Four other works that Hemingway left in varying stages of com-

pletion were previously published, to mixed reviews: "A Moveable Feast," "Islands in the Stream," "The Dangerous Summer" and "The Garden of Eden."

Few would rank these with quasi-autobiographical masterpieces like "A Farewell to Arms" and "The Sun Also Rises," and given the fanatical care Hemingway took with his writing there is some question of how happy he would be to have his reputation and last printed words entrusted solely to any editor, even a son.

Patrick Hemingway said that he was aware of the responsibility and that aside from a few place names he had not changed any of his father's words, although he acknowledged that condensing the book inevitably reshaped it.

For the few who have read it, a mystique has long clung to the sprawling 850-page blend of autobiography and fiction, in part over the character named Debba, an 18-year-old woman from the Wakamba tribe whom the narrator casually takes as a second wife.

Patrick Hemingway, who took part in the safari, says the marriage to Debba is fictional. "Did Ernest Hemingway have such an experience?" he said from his home in Bozeman, Montana. "I can tell you from all I know — and I don't know everything — he did not."

But because Hemingway's adventurous life and his fiction have been so intertwined, the new book is sure to raise questions about how much of the story is literally true. Hemingway was elliptical on the issue. All good books have something in common, he liked to say: "They are truer than if they had really happened."

"True at First Light," a title Patrick Hemingway selected from the text to suggest the deceptiveness of the senses, is based on Hemingway's second safari to East Africa, in 1953, just as "Green Hills of Africa" was based on his first safari, 20 years earlier.

But on that first safari, Hemingway was accompanied by his second



Ernest and Mary Hemingway in a 1959 photograph.

wife, Pauline Pfeiffer, Vogue's Paris correspondent, with whom he had two sons, Patrick and Gregory, and for whom he had divorced Hadley Richardson, who was the mother of his first son, John, called Bumby. By the second safari Hemingway had divorced Pauline, as well as his third wife, Martha Gellhorn, also a writer, and had married Mary Welsh, a Time-Life correspondent whom he had met in wartime London.

The interplay of these relationships is a theme in the book, along with age and enlightenment, spirituality and the hypnotic spell of Africa.

Paris is in the book too, and Ezra Pound and baseball and prodigious drinking and meditations on the soul.

Hemingway and Miss Mary, as she is called in the book, arrived in the Kenyan port of Mombasa in the summer of 1953 and set up camp at Kitanga Farm.

After five months of hunting and carousing, and surviving two plane

crashes, they went home safely to Hemingway's beloved Cuban refuge, Finca Vigia, or Lookout Farm, outside Havana. There, he grumbled his pleasure at having won the Nobel Prize for Literature and began work on the African book.

While the early '70s *Sports Illustrated* excerpts focus heavily on hunting, they also offer broader glimpses of a work that is now to be Hemingway's final testament, and perhaps a last introspective look into a famously complex and colorful literary colossus.

The narrator of "True at First Light" talks about a changed Africa and his boredom at reading so much about himself by fatuous people who pretend to know all about his inner life, and he quickly and playfully brings up the "matter of my fiancée" — Debba, "very beautiful and quite young and more than perfectly developed."

Two biographies suggested that the account of Debba was not en-

tirely fictional. In his authoritative 1969 biography, "Ernest Hemingway: A Life Story," Carlos Baker, drawing on Mary Hemingway's diaries, says that toward the end of the 1953 safari Hemingway showed signs of "wanting to go native," telling Mary Hemingway she was "depriving him of his new wife," the Wakamba girl Debba. Mrs. Hemingway, the account goes on, did not take offense, suggesting only that Debba "ought first to have a much needed bath."

Mary Hemingway left the camp for some pre-Christmas shopping in Nairobi, and she returned to find that Hemingway had dyed his jacket and shirts in Masai colors, taken up the spear and invited Debba and some of her friends into the camp, celebrating so energetically that they broke Mrs. Hemingway's bed. Warned of possible trouble from Debba's family, Hemingway returned her to her village, but she was among the people of the tribe invited back for Christmas celebrations, the Baker account concludes.

In "Papa Hemingway," Hotchner says that in Venice in 1954, Hemingway "told us of his startling nuptials," relating that when his wife was away in Nairobi, he had taken an 18-year-old Wakamba bride and "as local custom dictated, inherited her sister," a widow of 17.

The book goes on to report that shortly afterward, Hemingway counted on his fingers and said, "September I will have an African son."

Still, Hotchner said, he was more than dubious of any actual marriage, given Hemingway's mischievous streak and love of practical jokes, as when he graphically described making love to the spy Mata Hari, although, it turned out, she was executed by the French the year before he arrived in Italy in 1918.

Patrick Hemingway said furthermore that the manuscript made no mention of the sister-bride, a further sign the story was made up. And no African son of Hemingway has ever emerged.

## PEOPLE

THE mountains and glaciers of New Zealand will be used to portray the Middle Earth of J.R.R. Tolkien's "Lord of the Rings" in a trilogy of films announced Tuesday by the director Peter Jackson. Jackson said shooting would begin next year on the \$130 million project. "I'm a huge admirer of the books and think it could make a great sequence of movies," he said. "Somewhere over the next two years I've got to find those great movies and shoot them." Jackson's previous films include "Heavenly Creatures" and "The Frighteners."

A 53-year-old Englishwoman claims she is John Lennon's half-sister. Birth and adoption certificates of Ingrid Pedersen, printed in the Sun newspaper, appear to show that she was born Victoria Elizabeth Lennon in Liverpool to the late Julia Lennon, John's mother. Lennon's father left his mother when the boy was 3 years old. Pedersen was reportedly the result of Julia Lennon's brief affair with a soldier, and was given

up for adoption. Pedersen, of Chandlers Ford, England, said she felt free to claim her relationship to Lennon since her adoptive mother died recently. "Now at last I can admit who I am — the little sis John loved but could never find," the Sun quoted her as saying. On Tuesday, the paper quoted Lennon's cousin Stan Parkes as saying: "John didn't know of his sister's existence until 1964 and he

did everything in his power to find her."

The Spice Girls say they may add "two new members to the Spice family" — a statement that didn't quite confirm published reports that two members of the pop group are pregnant. News reports have said that Posh Spice,

Victoria Adams, is expecting a child with her soccer-star boyfriend, David Beckham, and that Scary Spice, Melanie Brown, and dancer Jimmy Gutzar, are also expecting.

Vincent Bethell, 26, has been convicted of daubing paint on a Rembrandt in the National Gallery on Aug. 4 and running naked in London near the Houses of Parliament on June 26 in a protest against "society's injustices."

Twenty-four beads that historians say were used to buy Manhattan Island from American Indians are being donated to the Indian Museum of North America at the Crazy Horse Memorial in South Dakota. An anonymous Chicago man and James Gilliland, of New Harmony, Indiana, each donated eight beads. A third person, also a Chicagoan, plans to donate eight more. Historians say the Dutch gave 32 to 40 beads (estimated to be worth \$24) to Indians in 1624 for the island, now part of New York City.



GROOVY GRANNY — Ellen Dow, 82, who plays Disco Dottie in "54," based on New York's Studio 54, arriving for the premiere.



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